



The Nahar Group



33Rd Annual Report
2012-2013



Nahar

SPINNING MILLS LIMITED



BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal
Sh. Kamal Oswal
Sh. Dinesh Gogna
Dr. (Mrs.) H.K. Bal
Prof. Kanwar Sain Maini
Sh. Satish Kumar Sharma
Dr. Suresh Kumar Singla
Dr. Amrik Singh Sohi
Dr. Yash Paul Sachdeva

Chairman

Managing Director
Director
Director
Director
Director
Director
Director
Director
Director

FINANCE CONTROLLERS

Sh. Anil Garg & Sh. P. K. Vashishth

COMPANY SECRETARY

Sh. Brij Sharma

AUDITORS

M/s. Gupta Vigg & Co., Chartered Accountants
101, Kismat Complex, G.T. Road, Miller Ganj, Ludhiana-141 003.

PRINCIPAL BANKERS	:	Punjab National Bank, State Bank of India
REGD. OFFICE	:	373, Industrial Area- 'A', Ludhiana-141 003
WORKS	:	427, Industrial Area - 'A', Ludhiana (Punjab) Dhandari Kalan, G.T. Road, Ludhiana (Punjab) Village Simrai, Mandideep, Distt. Raisen (M.P.) Village Lalru and Lehli, Distt. S.A.S. Nagar (Punjab) Village Jalalpur, Distt. S.A.S. Nagar (Punjab) Rishab Spinning Mills, Village Jodhan, Distt. Ludhiana Nahar Fibres, Jitwal Kalan, Malerkotla, Distt. Sangrur

33rd ANNUAL GENERAL MEETING

Day : Monday
Date : 30th September, 2013
Time : 10.00 A.M.
Place : At the Premises of
Nahar Industrial Enterprises
Limited, Focal Point, Ludhiana

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Save Tree Save Earth

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at: -secnsm@owmnahar.com or gredressalnsml@owmnahar.com.

We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.



NOTICE

Notice is hereby given that the **Thirty Third Annual General Meeting** of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Monday, the 30th day of September, 2013 at 10.00 A.M.** at the premises of M/s Nahar Industrial Enterprises Limited, Focal Point, Ludhiana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Independent Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Sh. Kamal Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Amrik Singh Sohi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Yash Paul Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Sh. S.K. Singla, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors who shall hold Office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Gupta Vigg & Co., Chartered Accountants, the retiring Auditors of the Company being eligible, offer themselves for re-appointment.

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED : 30th July, 2013

BRIJ SHARMA
(COMPANY SECRETARY)

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.
2. The Register of Members and Share Transfer Register of the Company shall remain closed from 21.09.2013 to 30.09.2013 (both days inclusive).
3. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose names appear in the Register of members as on 30th September, 2013 or Register of beneficial owners, maintained by the Depositories at the close of 20th September, 2013.
4. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends upto the financial year 2004-2005 have been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2005-2006 is to be transferred to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 in November, 2013. Shareholders who have not encashed their dividend warrants relating to the said period are requested to claim the amount from the Company at the earliest.
Further we may also inform that once the amount is deposited with Central Government, it cannot be claimed later on as per the Companies (Amendment) Act, 1999.
5. The bank Account particulars of the members will be printed on the dividend warrants. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share Transfer Agent M/s Alankit Assignments Limited or to the Company's Registered Office at 373, Industrial Area-A, Ludhiana – 141 003.
Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 20.09.2013.
6. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
7. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form 2B)
8. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their



queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.

9. Members are requested to bring the copy of Annual Report along with them, at the meeting.

10. The information required to be provided under clause 49 of the Listing Agreement entered into with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder and form part of the notice.

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Director seeking appointment/re-appointment.

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

- I. Name : Sh. Kamal Oswal**
Age : 51 years
Qualification : Commerce Graduate
Expertise : Having business experience of more than 31 years in the Industry.

Directorships/membership in the committee of the Board in other Companies:

Name of the Company	Committee	Status
1. Nahar Capital and Fin. Ser. Ltd.	--	--
2. Nahar Poly Films Limited	--	--
3. Nahar Indl. Infrastructure Corpn. Ltd.	--	--
4. Oswal Woollen Mills Ltd.	--	--
5. Oswal Leasing Ltd.	--	--
6. Sankeshwar Holding Co. Ltd.	--	--
7. Vardhman Investment Ltd.	--	--
8. Girnar Investment Ltd.	--	--
9. Atam Vallabh Financiers Ltd.	--	--
10. J.L. Growth Fund Ltd.	--	--
11. Abhilash Growth Fund Pvt. Ltd.	--	--
12. Neha Credit & Invest. Pvt. Ltd.	--	--
13. Monte Carlo Fashions Ltd.	--	--
14. Nahar Growth Fund Pvt. Ltd.	--	--
15. Nagdevi Trdg. & Invest. Co. Ltd.	Audit	Chairman
16. Nahar Industrial Enterprises Ltd.	--	--
17. Cotton Country Retail Ltd.	Remuneration	Member
18. Crown Star Ltd. (UK)	--	--

Sh. Kamal Oswal being the son of Sh. Jawahar Lal Oswal is related to him. He is related to Sh. Dinesh Oswal being his brother.

- II. Name : Dr. Amrik Singh Sohi**
Age : 66 years
Qualification : M.Sc. Ph.D
Expertise : Having more than 36 years experience in teaching and Entomology Research.

Directorships/membership in the committee of the Board in other Companies:

Name of the Company	Committee	Status
1. Nahar Poly Films Ltd.	Shareholder Grievances	Member
2. Nahar Capital and Financial Services Limited	Shareholder Grievances	Chairman
3. Nahar Industrial Enterprises Limited	-	-

- III. Name : Dr. Y.P. Sachdeva**
Age : 51 years
Qualification : MBA, Ph.D
Expertise : Having more than 31 years experience in teaching Business Management and Administration.

Directorships/membership in the committee of the Board in other Companies:

Name of the Company	Committee	Status
1. Nahar Capital and Fin. Ser. Ltd.	--	--
2. Nahar Poly Films Ltd.	--	--
3. Nahar Industrial Enterprises Ltd.	Shareholders Grievances Remuneration	Member
4. Cotton County Retail Ltd.	Audit	Member
5. Oswal Spg. & Weaving Mills Ltd.	Remuneration	Member

- IV. Name : Dr. Suresh Kumar Singla**
Age : 64 years
Qualification : M.A. (Stats.&Eco.) & Ph.D(Stats.)
Expertise : Having more than 32 years experience in Teaching Business Management and Administration.

Directorships/membership in the committee of the Board in other Companies:

Name of the Company	Committee	Status
1. Metro Tyres Ltd.	Audit	Member
2. Nahar Poly Films Ltd.	Audit Remuneration	Chairman
3. Oswal Woollen Mills Ltd.	Audit Shareholders Grievance Remuneration	Chairman Member
4. Nahar Cap. & Fin. Ser. Ltd.	Shareholders Grievance Audit	Member Member

BY ORDER OF THE BOARD

**PLACE: LUDHIANA
DATED: 30th July, 2013**

**BRIJ SHARMA
(COMPANY SECRETARY)**



DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the **THIRTY THIRD ANNUAL REPORT** on the affairs of the company for the year ended 31st March, 2013.

FINANCIAL PERFORMANCE

Your Company's Financial Performance during the year is summarised below:

PARTICULARS	(Rs. In crores)	
	CURRENT YEAR	PREVIOUS YEAR
Profit for the year before TAX & DEPRECIATION	221.60	(173.45)
Less: Depreciation	87.55	-
Provision for Taxation	9.96	0.06
Provision for Deferred Tax	45.70	56.09
Profit/Loss after tax	78.39	(117.36)
Adjustment of Income Tax of Earlier years	0.53	-0.16
Amount available for appropriation	77.86	(117.20)
APPROPRIATION		
Proposed Dividend	3.61	-
Tax on Distributed profits	0.61	-
Transfer to General Reserve	73.64	-
	77.86	(117.20)

PERFORMANCE REVIEW

We would like to inform you as per the disclosure requirements of Accounting Standard AS17 issued by the Institute of Chartered Accountants of India, company's activities can be classified under two segments namely "Yarn Segment" and "Garment Segment". Before reviewing overall performance of the company we would like to brief you regarding the working performance of each Segment which is as under:-

YARN SEGMENT

We are pleased to inform you that Company's expansion cum modernization plans of 60,000 spindlage are progressing as per schedule. The company expects to fully implement the said plans by July, 2014. On completion of the said expansion the company's spindlage capacity will increase to five lakhs spindlages.

Yarn Segment performed exceedingly well during the year under review. The recovery in the U.S., Europe and Asian economies coupled with higher export realization enabled the Segment to achieve net revenue of Rs.1711.04 lakhs showing an increase of 13.94% over the previous year. The financial performance too, improved significantly and it earned a profit before interest and tax of Rs. 207.79 crores as against loss of Rs. 86.26 Crores.

GARMENT SEGMENT

We are glad to inform you that Garment Segment too, improved its performance during the year under review. The recovery in the U.S. and European Economies

enabled the segment to achieve net revenue of Rs. 245.34 crores showing an impressive increase of 29.28% over previous year. It also improved its financial performance and earned a profit before interest and tax of Rs.24.74 crores showing an impressive increase of 45.88% over the previous year.

OVERALL PERFORMANCE

From the above, it is apparent that company's performance has been excellent on all parameters. The company's net revenue from operations Rs.1961.28 crores has shown an increase of 15.63% over the previous year. Likewise the export at Rs.1299.76 crores has also shown an impressive increase of 15.78%. Because of its excellent export performance, your company has been awarded Gold Trophy for achieving Highest Exports of yarn (50s & Below) by The Cotton Textile Export Promotion Council (TEXPROCIL).The company has also been awarded Bronze Trophy for achieving Third Highest Export of Processed Yarn by (TEXPROCIL).

On profitability front, company substantially improved its performance and earned a profit before tax and depreciation of Rs. 221.60 crores as against loss of Rs.173.45 crores in the previous year. After providing depreciation of Rs. 87.55 crores and provision for taxation/deferred taxation of Rs. 55.66 crores the company earned a net profit of Rs.78.39 crores. After adjustment of income tax of Rs. 0.53 crores (earlier year) the amount available for appropriations comes to Rs. 77.86 crores. After appropriations of profits as per detail hereinabove, an amount of Rs.73.64 crores has been transferred to General Reserve thereby increasing Company's Reserves to Rs.379.62 crores as on 31st March, 2013.

DIVIDEND

Your Directors are pleased to recommend a dividend @20% (i.e. Rs.1.00 per equity share of Rs.5/- each) on paid up equity share capital for the year ended 31st March, 2013.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the profits of the company for the year under reference to all those shareholders whose names shall appear in the Register of Members on 30th September, 2013 or Register of beneficial owners, maintained by the Depositories as at the close of 20th September, 2013.

DIRECTORS

Dr. Om Prakash Sahni who was an independent Director, left for heaven abode on 24.10.2012. The board pray to the Almighty to give peace and solace to the departed soul.

Pursuant to article 91 of the Articles of Association of the company Sh. Kamal Oswal, Dr. Amrik Singh Sohi, Dr. Yash Paul Sachdeva and Dr. Suresh Kumar Singla will be



retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

In terms of clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors to be appointed/re-appointed are contained in the accompanying Notice of the forthcoming Annual General Meeting.

CREDIT RATING

The Credit Rating Information Services of India Ltd. (CRISIL) has re-confirmed the credit rating 'A1'. The said rating indicates very strong degree of safety regarding timely payment of financial obligation. Such instruments carry lowest credit risk.

GREEN INITIATIVE

The Ministry of Corporate Affairs(MCA) vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Your Company has decided to join the MCA as in its environmental friendly initiative.

Accordingly, henceforth company propose to send documents such as notices of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c. or send the same to the Company via e-mail at:- secnsm@owmnahar.com or gredressalnsml@owmnahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

LISTING OF SECURITIES

The securities of the company are presently listed on the following Stock Exchanges:

- i. The Bombay Stock Exchange Ltd., 25th Floor Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
- ii. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai

The Company has paid listing fee to both the Stock Exchanges for the financial year 2013-2014.

DEMATERIALISATION OF SECURITIES

As the members must be aware that company's securities are tradable compulsorily in electronic form w.e.f. 21st March, 2000. Your Company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. As on date 94.79% of the share capital of the

company has been dematerialised. The shareholders who have not gone in for dematerialisation of shares till date, are requested to opt for dematerialisation of the shares at the earliest.

Further as per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communications in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar at below mentioned address:

M/s Alankit Assignments Limited
(Unit: Nahar Spinning Mills Limited)
Alankit House
2E/21, Jhandewalan Extension
New Delhi - 110 055
Telephone No. : (011) 23541234
Fax No. : (011) 41540064
E-mail address : rta@alankit.com

In case any query/complaint remains unresolved with our Registrar please write to Company Secretary at the Registered Office of the Company.

AUDIT COMMITTEE

Pursuant to Section 292A(1) of the Companies Act, 1956, the company had already constituted Audit Committee consisting of Sh. K.S. Maini as Chairman, Sh. Dinesh Gogna and Dr. O.P. Sahni as members. Because of the sad demise of Dr. O.P. Sahni on 24.10.2012, Sh. S.K. Singla was appointed as Member of Audit Committee. The committee held four meeting during the year under review.

REPORT ON THE CORPORATE GOVERNANCE

Your Company continues to follow the principles of good Corporate Governance. The company had already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report alongwith the Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange, is attached herewith as Annexure-II.

ENVIRONMENT FRIENDLY CORPORATE ENTITY

As a responsible corporate entity, your company is sensitive to environment also and is contributing a bit to improve the ecological balance by introducing Organic Cotton yarns & Fair Trade Cotton Yarns certified by Control Union Certificate of Netherlands & F.L.O. of Germany. The company is Registered with Clean Development Mechanism (CDM) Executives Board and United Nations Framework Conventions on Climate Change (UNFCCC) Secretariat, Bonn, Germany.

**DIRECTORS RESPONSIBILITY STATEMENT**

The Directors would like to assure the Members that the financial statements for the year under review, conform in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm :

- i) that in preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures;
- ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that they had prepared the Annual Accounts on a going concern basis.

COST AUDITORS

The Company appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditors for the year 2012-2013. The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi have approved their appointment. The Cost Audit Report for yarn as well as garments, for the year ended 31st March, 2013 would be submitted to the Ministry of Corporate Affairs, Cost Audit Branch, in accordance with the requirements of Law.

The Ministry of Corporate Affairs issued a Notification dated 3rd June, 2011 whereby company's activities relating to garment business have also comes under the preview of Companies (Cost Accounting Records) Rules, 2011. Accordingly the company is required to file Cost audit report with the Ministry of Corporate Affairs, New Delhi in respect of garments too.

AUDITORS & INDEPENDENT AUDITOR'S REPORT

M/s Gupta Vigg & Co., the Auditors of your Company shall be retiring at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The company has obtained from auditors, a certificate as required under Section 224(1-B) of the Companies Act, 1956 to the effect that their reappointment, if made, would be within the limits specified in the said section.

The Audit Committee has recommended their re-appointment.

The observations and comments given by Auditors in their independent auditor's report read together with

notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

PUBLIC DEPOSITS

During the year the company has neither accepted nor intend to accept any Public deposit within the meaning of Section 58-A of the Companies Act, 1956 and the rules made there under. There are no outstanding/unclaimed deposit from the public.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 205C of the Companies Act, 1956 the company has transferred an amount of Rs.12,99,335/- (Rupees Twelve lacs ninety nine thousand three hundred thirty five only) being the amount of unclaimed Dividend for the year 2004-2005 to the Investor Education and Protection Fund.

PARTICULARS OF EMPLOYEES

None of the employee is in receipt of emoluments in excess of the limits prescribed under section 217(2A) the Companies (particulars of employees) Rules 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The detailed information as required under section 217(1)(e) of the companies Act, 1956 read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988, is enclosed as per Annexure-I and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is enclosed as per Annexure III and forms part of this Report.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

ACKNOWLEDGEMENT

The Board of Directors of the company wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the company. The Directors are thankful to the Bankers and Financial Institutions for their continued support to the company. The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 30th July, 2013

JAWAHAR LAL OSWAL
(Chairman)



ANNEXURE-I

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

I. CONSERVATION OF ENERGY

a) Measures taken for conservation of energy

Energy conservation is an ongoing process in our organization. The company carries out continuous monitoring, planning, development and modification in our all units by selecting the latest machinery and equipments which are more energy efficient. The company has taken following measures for energy conservation:

- i) The company has installed VFD (Variable Frequency) Drive on speed frames which enables the company to reduce the power consumption.
- ii) The company has Replaced old 3 nos LC300 cards from New Technology LC333 cards for improving the energy efficiency and production as well as power saving.
- iii) Remove unnecessary bend in water flow Pipe line of cooling tower for reducing the resistance in water flow so improve the efficiency of cooling tower.
- iv) Company is using energy efficiency spindle oil in Ring Frame machines, which resulted in saving of Power consumption.
- v) The company replaced the capacitor bank which have 15% reduction in its capacity for improving the power factor which results decrease the losses of power cables.
- vi) Replacement of 30 Nos. 250 Watt Sodium Lamps with 90 Watt CFL Lamps.
- vii) By installing 200 Liters per day capacity Solar Water Heater for the Yarn Conditioning Machines for saving the Energy.
- viii) Replacement of 300 Nos. ordinary Chokes with the Electronic Chokes.
- ix) Minimized the lighting load by replacement with electronic ballast with single tube light of high luminance.
- x) By installing overhead blowers at Ring Frames machines and A/c machines are parked at both ends for 1 minute for saving the Energy.
- xi) Replacement of incandescent lamps with capacitive sodium vapour and LED lamps.
- xii) Redesigning and modification of Air Handling unit.
- xiii) In Speed Frame 4 KW Suction motors has been replaced by electronic stop motion for roving breakage.
- xiv) 14 Cards of "C1/3" replaced with 12 Cards of "LC100" from Unit-2

xv) 4 Combers of "LK64" are running with advanced technology.

xvi) 2 "DO/6" machines are replaced with 1 "Id-2" from LMW.

xvii) 2 Old Autoconers of "MURATEC" are replaced with "SAVIO ESPERO-L"

b) Additional investment & proposal for reduction of consumption of energy

- i) Installation of VFD Compressor for compressed air.
- ii) Installation of Automatic voltage control stabilizer for lighting system.
- iii) Modification is done for Yarn conditioning Machine's trolleys, which in turn results in increased production/doff.

c) Impact of measure, consequent to (a) and (b) above

With the measures adopted by the company, there is substantial saving in energy consumption there by reduction in cost of production.

Total energy consumption and energy consumption per unit of production per Form-A of the Annexure in the rules in respect of Industries specified in the schedule thereto

PARTICULARS	FORM A	
	CURRENT YEAR 2012-2013	PREVIOUS YEAR 2011-2012
A. POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (Kwh)	358284304.00	309791409.00
Total amount (Rs.)	2135593997.92	1609991024.12
Rate per Unit (Rs.)	5.96	5.20
(b) Own Generation Through Diesel Generator		
Units produced (KWH)	2539124.00	1326577.00
Total amount (Rs.)	28606989.04	12234677.60
Cost per unit (Rs.)	11.27	9.22
(c) Own Generation through turbine		
Units produced (KWH)	19627020.00	18614571.00
Total amount (Rs.)	74642541.00	68368828.00
Cost per Unit (Rs.)	3.80	3.67
2. Furnace Oil		
Quantity (in litres)	463355.00	247348.00
Total cost (Rs.)	14000309.00	6954049.83
Rate/Tonne (Rs.)	30215.08	28114.44



3. Other/Internal Generation

i) Rice Husk (In Tonnes)	31234.63	28309.62
Total Cost (Rs.)	141157113.71	116344066.13
Cost per Unit (Rs.)	4519.25	4109.70
ii) Steam Coal (In Tonnes)	398.03	389.92
Total Cost (Rs.)	1679147.00	1413266.00
Cost per unit (Rs.)	4218.64	3624.50

B. CONSUMPTION PER UNIT OF PRODUCTION

GARMENT UNIT

1. Rice husk used per Kg. of dyed cloth/Yarn	5.13	5.96
2. Electricity consumed per unit Hosiery Garments Manufactured (From Fabric to Garment)	0.64	0.75

SPINNING UNIT (ALL)

Product Cotton/Synthetic Yarn	79118106.70	67694691.48
Electricity (Unit/Kg.)	4.51	4.54
Rice husk used per Kg. of Yarn	--	--
Furnace Oil used per kg. of Yarn	0.02	0.01
Steam Coal used per kg. of Yarn	--	--

MERCERISING CUM DYEING UNIT (LALRU)

1. Electricity consumed per unit of Yarn/Cloth (Unit/Kg.)	3.33	3.60
2. Rice husk used per Kg. of Yarn/Cloth	2.11	2.45

FORM B

A) Research & Development (R & D):

i) Specific areas in which Research and Development carried out by the Company.

The R&D efforts in the company are focused not only on productivity, quality improvement with waste reduction but also developing value added products like Multi Slub Yarn, Multi Count with Multi Slub Yarn and Multi Twist Yarn, 100% Organic cotton & Organic cotton blends, B.C.I. cotton & cleaner cotton, Polyester cotton blends, Cotton model blends, mélange yarn in different shades & blends for International & Domestic markets.

The company has the latest on line & off line testing and monitoring equipments from world renowned manufacturers to maintain the product consistency of raw material as well as finished products.

The company has been able to procure the improve quality of raw material through R&D monitoring and thus achieving customer satisfaction by consistently meeting their ever increasing expectation.

ii) Benefits derived as a result of above R & D:

The company has improved its product value and reduction in production cost. It has expanded its market to quality conscious markets of the world.

The company has been able to reduce the production cost with improved quality level of finished products, thereby fetching better sales realisation.

iii) Future Plans:

The Company is committed to continue the Upgradation of its R & D facilities which will strive to develop new products, keeping in view the future market requirements and will thus improve its competitiveness.

iv) Expenditure on R & D:

a) Capital (Rs.)	Nil
b) Recurring (Rs.)	Nil
c) Total (Rs.)	Nil

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- i) The company has implemented a spinning project of 28800 spindles at village Jodhan with latest state of Art Technology.
- ii) To improve the working environment, the company has installed latest humidification plant from LUWA.

Benefits derived as result of above efforts:

With the above mentioned efforts, the company will enjoy the benefit of improved quality, productivity & saving in manufacturing costs. The company will project its image in the world market as a manufacturer of world class yarn and achieve an excellent share of world market.

Information regarding Technology imported during the last five years : NIL

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(I) Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans	With the opening of Global Trade company has taken effective steps to increase its exports and diversified export Markets. Company continues to make efforts to provide quality products at a very competitive rates so that it can compete with Inter- national suppliers and maintain a steady growth of exports.
	Current Year Previous Year
(II) Total Foreign Exchange used and earned	
a) Earnings (FOB value of Exports etc.)	127785.02 112154.12
b) Outgo (CIF value of Imports, expenditure in foreign currency and other payments)	4617.94 9456.01

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 30th July, 2013

JAWAHAR LAL OSWAL
(Chairman)



ANNEXURE - II

CORPORATE GOVERNANCE REPORT

This report of Corporate Governance form part of the Annual Report.

Company's philosophy on Corporate Governance

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is key to success of business. The Company's philosophy envisage an attainment of highest level of the transparency and accountability in its operations so that Company's goal of creation and maximisation of wealth of the shareholders/stakeholders could be achieved. Clause 49 of the Listing Agreement with Stock Exchanges incorporates certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance to the requirements of corporate governance rules, we are pleased to report the following :-

I. BOARD OF DIRECTORS

1. The Board of the Company is well structured with adequate blend of professional Executives and Independent Directors.
2. The present strength of Board is Ten Directors as Dr. O.P. Sahni, who was an Independent Director left for heavenly abode on 24.10.2012. The Board comprises of Executive and Non Executive Directors. Sh. J.L. Oswal is a Non Executive Chairman and Sh. Dinesh Oswal is Managing Director of the Company. Thus the

post of Chairman and Managing Director are held by different persons.

3. The present Board consists of one-half of the independent Directors as required under Corporate Governance Rules. Out of ten Board Members, five members namely Dr.(Mrs.) H.K. Bal, Prof. K.S. Maini, Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi and Dr. Yash Paul Sachdeva are independent Directors. Thus the Company has complied the Corporate Governance Rules regarding structure of the Board.
4. During the year the Board met four times i.e. on 30th May, 2012, 28th July., 2012, 29th October, 2012 and 4th February, 2013 with a clearly defined agenda circulated well in advance of each meeting. The maximum interval between the two Board meetings is not more than four months.
5. None of the directors is a member of more than 10 Board level committees or is Chairman of more than 5 such Board level committees as required under Clause 49 of the Listing Agreement. None of the Director is a Director in more than 15 companies as prescribed under the Act.
6. Participation of Non Executive Directors has been active in the Board Meetings. The Attendance record of Directors in the Board meeting and the Annual General Meeting during the year 2012-2013 is given here under:

Name of Director	Category of Directors	No. of other Directorship (excluding private company)	No. of Committee membership		No. of Board Meeting attended	AGM Attendance (held on 29.09.2012)	No. of Shares held
			Member	Chairman			
Mr. Jawahar Lal Oswal	Non Executive-Promoter	14	--	--	3	No	--
Mr. Dinesh Oswal	Executive- Promoter	14	--	--	4	Yes	23766
Mr. Kamal Oswal	Non Executive - Promoter	14	--	1	4	Yes	24750
Mr. Dinesh Gogna	Non Executive	8	4	3	3	Yes	1550
Dr.(Mrs.) H.K. Bal	Non Executive –Independent	5	2	2	4	Yes	--
Mr. S.K. Sharma	Non Executive	2	3	--	4	Yes	--
*Dr. O. P. Sahni	Non Executive – Independent	4	8	2	2	Yes	--
Mr. K.S. Maini	Non Executive – Independent	4	3	4	4	Yes	22
Mr. Suresh Kumar Singla	Non Executive – Independent	4	5	2	4	Yes	--
Dr. Amrik Singh Sohi	Non Executive – Independent	3	2	1	3	Yes	--
Dr. Yash Paul Sachdeva	Non Executive – Independent	5	2	--	4	Yes	--

*The office of Director held by Sh. O.P. Sahni stand vacated because of his death on 24.10.2012



7. Non Executive Directors are paid a sitting fee of Rs.5000/- per meeting of the Board.
8. Sh. Jawahar Lal Oswal is the father of Sh. Kamal Oswal and Sh. Dinesh Oswal. Sh. Dinesh Oswal and Sh. Kamal Oswal are brothers. No other Director is related to any other Director of the Company within the meaning of Section 6 of the Companies Act, 1956.
9. Code of conduct: The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly, the Company has laid down a Code of conduct for all its Board members and Senior Managerial/Personnel so that conflict of interest could be avoided. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company's website i.e. www.owmnahar.com
10. The Company ensures compliance of various statutory requirements by all its business units.
11. All the Statutory Registers that are required to be maintained, particularly, Register of Director's Shareholding, Register of Investments etc. are properly maintained and continuously updated.

II. AUDIT COMMITTEE

The Board had already constituted an independent and qualified Audit Committee. The Committee consists of three Non Executive Directors under the Chairmanship of Prof. K.S. Maini., Sh. Dinesh Gogna and Dr. S.K. Singla are the two other members of the Audit Committee. Because of the sad demise of Dr.O.P. Sahni on 24.10.2012, the vacancy so caused was filled up with the appointment of Sh. S.K. Singla as a member of Audit Committee on 29.10.2012. Prof. K.S. Maini is Post Graduate in Commerce. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana. He is well versed with Accounting and Financial Matter. Sh. Dinesh Gogna is a Company Executive having 35 years of experience in Corporate Finance, Taxation and Financial and Accounting matters. Likewise Sh. S.K.

Singla who is M.A. (Stats. & Eco.) & Ph.D (Stats.) is also having requisite expertise in Financial and Accounting matters. The Company Secretary is the Secretary of the committee. The Finance Controller is permanent invitee of the committee. The statutory auditors, the internal auditors and cost auditors are also invited to attend the meetings, as per relevant provisions of the applicable laws/rules, as and when felt necessary.

The term of reference of the Audit Committee is as per clause-49 of the Listing Agreement with the Stock Exchanges, SEBI Guidelines and Companies Act, 1956. Since 1st April, 2012 the committee met four times i.e. on 30th May, 2012, 28th July., 2012, 29th Oct., 2012 and 4th Feb., 2013 and at these meetings, the quarterly un-audited financial results as well as the financial statement during the year ended 31st March, 2013 were reviewed and examined by the members of the audit committee before recommendation of the same to the Board of Directors for their perusal and adoption.

The attendance record of the Audit committee members is as under:

Name of the Member	No. of meetings held	No. of meetings
	Upto 31.03.2013	attended
Prof. K.S. Maini	4	4
Sh. Dinesh Gogna	4	4
Dr. O.P. Sahni	4	2
Dr. S.K. Singla	4	1

Prof. K.S. Maini, Chairman of the Audit Committee, attended the last Annual General Meeting of the Company held on 29th September, 2012 and replied/clarified the queries raised at the Annual General Meeting.

III. REMUNERATION COMMITTEE

The Remuneration Committee constituted by the board consist of three independent directors. Dr. S.K. Singla is the Chairman and Dr. A.S. Sohi and Dr. (Mrs.) H.K. Bal are the members of the committee.

The Broad term of reference of the Remuneration Committee is to ensure that the Company's Remuneration policies in respect of Managing Director/Working Directors, Senior Executives are competitive so as to recruit and retain best talent in the Company and to ensure appropriate disclosure of remuneration paid to said persons.



The Committee met Thrice during the year. The attendance record of the meeting held is as follows:-

Name of the Member	No. of meetings held Upto 31.03.2013	No. of meetings attended
Dr. S.K. Singla	3	3
Dr. A.S. Sohi	3	3
Dr.(Mrs.) H.K. Bal	3	3

The details of Director's remuneration paid for the year ended 31st March, 2013 is as under:

	Salary (Rs.)	Sitting Fee (Rs.)
Sh. Jawahar Lal Oswal		15000.00
Sh. Kamal Oswal		20000.00
Sh. Dinesh Oswal	2191803.00	
Sh. Dinesh Gogna		15000.00
Sh. S.K. Sharma		20000.00
Dr.(Mrs.) H.K. Bal		20000.00
Dr. O.P. Sahni		10000.00
Sh. K.S. Maini		20000.00
Sh. S.K. Singla		20000.00
Dr. Amrik Singh Sohi		15000.00
Dr. Yash Paul Sachdeva		20000.00

IV. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Company is having Shareholders'/Investors' Grievance Committee consisting of three Non Executive Directors under the Chairpersonship of Dr.(Mrs.) H.K. Bal. Dr. A.S. Sohi and Sh. S.K. Sharma are the other members of the committee. Because of the sad demise of Dr. O.P. Sahni, the vacancy so caused was filled up with the appointment of Dr. A.S. Sohi as member of Shareholder Grievances Committee on 29.10.2012. Sh. Brij Sharma, Company Secretary is the compliance Officer of the Company. The committee look into the complaints/grievances of shareholders in respect of transfer of shares, Non receipt of dividend/share certificates, Demat problems etc. The committee met four times from April, 2012 to March, 2013 i.e. on 30.05.2012, 28.07.2012, 29.10.2012 and 4.02.2013 and the attendance record of the meetings held is as follows:-

Name of the Member	No. of meetings held Upto 31.03.2013	No. of meetings attended
Dr.(Mrs.) H.K. Bal	4	4
Sh. O.P. Sahni	4	2
Sh. S.K. Sharma	4	4
Dr. A.S. Sohi	4	1

The Company has been quick in the redressal of the grievances of the shareholders and has attended to most of the investors correspondence/grievances within a period of 15 to 30 days from the date of receipt of the same. The details regarding the same is as under:

No. of complaints received during the year : 26

No. of complaints resolved during the year : 26

No. of complaints pending as on 31st March, 2013 : NIL

The Company has also received some request/complaint from shareholders regarding non receipt of dividend/re-validation of dividend and the Company replied/resolved the said request/complaint. None of the complaints during the year remained pending for more than 30 days.

V. Share Transfer Committee

Further the Company has also constituted a share transfer committee comprising 4 members under the Chairmanship of Sh. Dinesh Oswal. The committee is responsible for approving the transfer and transmission of securities, dematerialisation of shares, issuance of duplicate certificates and other shareholders related issues. The committee generally meets once in a month. During the period April, 2012 to March, 2013 the committee held 12 meetings i.e. on 30.04.2012, 31.05.2012, 30.06.2012, 31.07.2012, 31.08.2012, 29.09.2012, 31.10.2012, 30.11.2012, 31.12.2012, 31.01.2013, 28.02.2013 and 30.03.2013 and the attendance record of the members is as follows :-

Name of the Member	No. of meetings held Upto 31.03.2013	No. of meetings attended
Sh. Dinesh Oswal	12	12
Sh. Dinesh Gogna	12	12
Sh. S.K. Sharma	12	12
Sh. Brij Sharma	12	12



As per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communications in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone no. etc. has already been mentioned in the Directors Report.

VI. GENERAL BODY MEETINGS

- (i) The details of the last three Annual General Meetings are as under:-

Financial year	Location	Date	Time
2009-2010	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2010	10.00 A.M.
2010-2011	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	20.09.2011	10.00 A.M.
2011-2012	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	29.09.2012	10.00 A.M.

(ii) Special Resolutions passed in the previous three Annual General Meetings:

2009-2010

No Special resolution was passed

2010-2011

No Special resolution was passed

2011-2012

Re-appointment of Managing Director

(iii) Special Resolution passed last year through postal ballot.

No Special resolution was passed during the financial year ended 31.03.2013 through postal ballot.

iv) Proposal of Special Resolution through postal ballot

Presently, no special resolution is proposed to be conducted through postal ballot.

VII. DISCLOSURES

- i) There have been no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Transactions with related party are disclosed in schedule 28, sub-heading XVII in the Notes of Account.
- ii) The Company continues to comply with the requirement of Stock Exchange, SEBI or any statutory authority on all matters related to capital market during the last three years. No penalty or strictures have been imposed on the Company by the said authorities relating to the above.
- iii) The Company does not have any Whistle Blower policy as of now but no personnel are being denied any access to the Audit Committee.
- iv) The Company complied with not only the mandatory requirements but has also complied with non mandatory requirements in respect of Remuneration Committee. The Company is yet to comply with the other non mandatory requirements of the Listing Agreement on Corporate Governance.

VIII. MEANS OF COMMUNICATION

The Company's quarterly results in the format prescribed by the Stock Exchanges are approved and taken on record by the Board within the prescribed time frame and sent immediately to all Stock Exchanges on which the Company's shares are listed. These results are published in leading news papers i.e. Business Standard/Financial Express in English and Dainik Jagran in vernacular. Our Quarterly, Half yearly and Annual results are also displayed on the website of the Company i.e. www.owmnahar.com. Whenever any Official news is released, the same is also displayed on the aforesaid Website of the Company. Likewise, whenever any presentation about Company's working is made to Financial Institutional Investors



or to the analysts, the same is displayed on Company's Website.

The Quarterly and Annual Financial Statement alongwith the Report on Segment Revenue, Segment Results and Capital Employed, Balance Sheet, Profit & Loss Account, Director's Report, Auditors' Report, Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern, etc. can also be retrieved by investors from the website of Bombay Stock Exchange Limited and National Stock Exchange of India Ltd.

IX. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting :

Date : September, 30, 2013
Day : Monday
Time : 10.00 a.m.
Venue : Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

2. Financial Calendar : The Financial year of the Company covers 1st April, to 31st March.

3. Date of Book Closure : 21st Sept., 2013 to 30th Sept., 2013 (Both days inclusive)

4. Dividend Payment

a) Payment Date : Before 10th Oct., 2013

b) Mode of payment : The Company provides the facility of paying dividend through Electronic clearing system (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details alongwith 9 digit MICR code of their bank, is noted in the records of the Depository Participant (DP), Members who hold shares in physical form, should contact the R&T Agent or the Company in this regard.

In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details, to

their DP in case of electronic holding, and to the R&T Agent or the Company in case of physical holding.

c) Unclaimed/Unpaid : All unclaimed/ unpaid dividend upto the financial year ended March, 31, 2005 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Companies Act, 1956.

Further the dividend for the financial year ended 31st March, 2006 will be transferred to the said fund in November, 2013. All the members who have not encashed their dividend warrants for the aforesaid year may approach the Company for obtaining duplicate dividend warrants / revalidation of dividend warrants.

d) Change of address : Members may kindly note that the R&T Agent and/or the Company will not entertain requests for noting of change of address/bank details/ ECS Mandate in case of accounts with demat holding. For this purpose, the shareholders should approach their Depository Participant.

5. Listing on Stock Exchanges: The National Stock Exchange of India Ltd (NSE) "Exchange Plaza 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East) Mumbai-400051.

The Bombay Stock Exchange Limited (BSE), 25th Floor, P.J. Towers, Dalal Street, Mumbai- 400001.

The listing fees payable to BSE and NSE for 2013-14 have been paid in full by the Company.

6. Stock Code : For trading at NSE : NAHAR SPING
For trading at BSE : 500296

7. Demat ISIN number : INE290A01027

The annual custodian fees for the financial year 2013-14 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8. Dedicated e-mail for Investor Grievance

To enable investors to register their grievances, the Company has designated an exclusive e-mail id i.e. gredressalnsml@owmnahar.com

**9. Registration/updation of e-mail address**

The Ministry of Corporate Affairs vide Circular No.17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. The Companies can now send various notices and documents, including Annual Report, to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at "secnsm@owmnaahar.com or gredressalnsm@owmnaahar.com".

10. Compliance Officer

Sh. Brij Sharma, Company Secretary is the Compliance Officer of the Company.

X. Market Price Data

The month High, Low stock prices during the financial year 2012-2013 are as follows:

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2012	58.00	46.65	50.30	46.65
May, 2012	54.95	45.20	52.40	45.10
June, 2012	59.80	45.60	58.70	45.05
July, 2012	67.00	55.00	65.00	55.15
August, 2012	71.45	56.05	79.40	50.70
September, 2012	68.00	55.70	72.00	46.00
October, 2012	79.80	63.45	78.80	55.05
November, 2012	78.70	65.25	80.00	65.55
December, 2012	75.00	65.00	73.00	66.10
January, 2013	87.80	65.00	90.00	69.60
February, 2013	90.30	72.00	90.70	71.55
March, 2013	86.50	68.00	86.85	67.30

Source:- Data has been taken from the Website of the Bombay Stock Exchange and National Stock Exchange. The Company does not have any other sources for verification of data.

XI. Performance in comparison to broad based indices such as BSE Sensex:

Comparison between Nahar Spinning Mills Limited closing price variation and BSE Sensex Variation in percentage is as under:

Financial Year	Share price of Nahar Spinning Mills Ltd.				BSE Sensex			
	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing
2012-2013								
April	58.00	46.65	48.40	-1.02	17,664.10	17,010.16	17,318.81	-0.49
May	54.95	45.20	46.80	-3.31	17,432.33	15,809.71	16,218.53	-6.35
June	59.80	45.60	56.75	21.26	17,448.48	15,748.98	17,429.98	7.47
July	67.00	55.00	63.60	12.07	17,631.19	16,598.48	17,236.18	-1.11
August	71.45	56.05	57.80	-9.12	17,972.54	17,026.97	17,429.56	1.12
September	68.00	55.70	66.00	14.19	18,869.94	17,250.80	18,762.74	7.65
October	79.80	63.45	72.75	10.23	19,137.29	18,393.42	18,505.38	-1.37
November	78.70	65.25	66.60	-8.45	19,372.70	18,255.69	19,339.90	4.51
December	75.00	65.00	69.25	3.98	19,612.18	19,149.03	19,426.71	0.45
January	87.80	65.00	81.10	17.11	20,203.66	19,508.93	19,894.98	2.41
February	90.30	72.00	74.50	-8.14	19,966.69	18,793.97	18,861.54	-5.19
March	86.50	68.00	71.30	-4.30	19,754.66	18,568.43	18,835.77	-0.14

Source:- Data has been taken from the Website of the Bombay Stock Exchange Limited. The Company does not have any other sources for verification of data.

XII. Registrar and Transfer agents

As per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone nos. etc. have already been mentioned in the Director's Report.

In case any query/complaint remains unresolved with our Registrar please write to Company Secretary at the Registered Office of the Company.

XIII. Share Transfer System

The Company has constituted share transfer committee consisting of four members, namely Sh. Dinesh Oswal, Managing Director, Sh. Dinesh Gogna and Sh. S.K. Sharma, Directors and Sh. Brij



Sharma, Company Secretary of the Company. The share transfer committee meets once/twice in a month to approve the transfer/transmission/transposition, issue of duplicate share certificates and duly transferred shares are generally despatched within the prescribed period under the Companies Act, 1956/ Guidelines of the Stock Exchanges.

As required under clause 47(c) of the listing agreements entered into by the Company with the Stock Exchanges, a certificate is obtained every six months from a practicing Company Secretary with regard to inter alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within one month of their lodgement. The certificates are forwarded to BSE and NSE, where the equity shares are listed.

XIV. Nomination facility

Individual shareholders holding physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his/her name. For further details, shareholders may write to the RTA of the Company.

XV. Distribution of Shareholding as on March 31, 2013:

As on March 31, 2013 your Company had 41620 shareholders having a total of 36065303 equity shares. The following is the distribution of Shareholding.

No. of Shares held	No. of Share Holders	%of Share Holders	Aggregate No. of Shares Held	% of Share Holding
1-500	38565	92.66	4787080	13.27
501-1000	1685	4.05	1238440	3.44
1001-2000	714	1.72	1036086	2.87
2001-3000	253	0.61	636687	1.77
3001-4000	101	0.24	356630	0.99
4001-5000	76	0.18	356999	0.99
5001-10000	107	0.26	758877	2.10
10000 and above	119	0.28	26894504	74.57
TOTAL	41620	100.00	36065303	100.00

XVI. The Shareholding pattern as on March 31, 2013 as follows:

Shares held by	No. of Shares	% of shareholding
Banks and Mutual Funds	15331	0.04
Foreign holdings (FIIs, NRIs, OCBs)	109862	0.31
Bodies Corporate	1681923	4.66
Directors/Relatives of Directors	1597	0.00
General Public	10877165	30.16
Promoters	23379425	64.83
Total	36065303	100.00

XVII. Dematerialisation of Shares and liquidity.

The Securities and Exchange Board of India (SEBI) has included Company's scrip in compulsory demat settlement for all type of investors. Thus, the dealing in Company's equity shares can be in demat form only. To facilitate holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The investors have an option to dematerialise their equity shares with either of the Depositories. As on date, 94.79% of the total equity capital of the Company have been dematerialised.

XVIII. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The Company does not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments which is likely to have any impact on the equity of the Company.

XIX. Plant Locations :

373, Industrial Area-A, Ludhiana
427, Industrial Area-A, Ludhiana
Dhandari Kalan, G.T. Road, Ludhiana
Village Simrai, Mandideep, Distt. Raisen (M.P.)
Village Lalru and Lehli, Distt. S.A.S. Nagar (Pb.)



Village Jalalpur, Distt. S.A.S. Nagar (PB.)
Village Jodhan, Distt. Ludhiana
Village Jitwal Kalan, Tehsil Malerkotla,
Distt. Sangrur

XX. Address for : NAHAR TOWER
Correspondence 373, Industrial Area-A,
Ludhiana - 141 003 (Pb.)
Phone No. : 0161-2600701 to 2600705
Fax No. : 0161-2601956, 2222942
E-mail address : secnsm@owmnahar.com
Website : www.owmnahar.com

XXI. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by the Finance Controller was placed at the meeting of Board of Directors held on 30.05.2013.

XXII. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

The Securities and Exchange Board of India has directed vide Circular No.D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total share held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid-up capital. The said certificate duly certified by a practicing Company Secretary is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of the each quarter.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA

JAWAHAR LAL OSWAL

DATED: 30th July, 2013

(Chairman)

MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Clause 49 of the listing agreement, I hereby confirm that all Board Members and Senior Management personnel (as defined in the abovesaid Clause 49) of the Company have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2013.

Place: Ludhiana
Dated: 30th July 2013

Dinesh Oswal
Managing Director



ANNEXURE - III

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The Indian Textile Industry is one of the leading Textile Industry of the world. Though the Industry was predominantly, unorganized Industry, even a few year back, but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening of the economy gave the much needed thrust to the Industry and now it has successfully become one of the largest Industry in the world.

The Textile Industry plays a pivotal role in the economic life in the country. Apart from providing one of the basic necessities of life, the Industry also plays a vital role through its contribution of about 14 % to Industrial Production, 4 % to the Gross Domestic Product (GDP), and 11 % to the country's export earnings as per Government of India, Ministry of Textiles, Note on Textile and Clothing Export of India. It provides direct employment to over 45 million people and thus the Textile Industry is the second largest provider of employment after agriculture. Accordingly, the growth and development of the Industry has a direct bearing on the economy of the nation and its people.

India's Textile Industry has occupied a place of prominence in the Global arena. India ranks second (after China) in the Global Textile Trade. The potential size of the Indian Textile Industry is expected to reach US Dollars 220 Billion by 2021, according to Techno Park's Textile and Apparel Compendium 2012. To give further boost to the Industry, the Central Government through its foreign Trade Policy has taken a series of measures including extension of Interest rates subvention scheme till 31st March, 2014 and expansion of the scheme covering more products under Focused Market Scheme. It is expected that these measures will help the Industry to perform well in the coming periods.

In line with the Global trends and to remain competitive, your company is also expanding and upgrading its capacities both in Yarns as well as in Garments. The company's expansion plans of 60,000 spindles is progressing as per schedule and is likely to be completed by July, 2014. After expansion, the company's spindlage capacity will stand increased to 5 lacs spindles and 1080 rotors. Thus, your company has positioned itself as one of the leading integrated textile player to reap the benefits of economies of scale and become globally competitive in terms of cost and quality.

Opportunities and Threats

The Textile Industry has performed extremely well during the year under review. The strong performance across different segments of the Industry is evident from the

strong domestic production as well as exports. There is no denying the fact that Indian Textile Industry has recorded excellent growth during the last few years but still there is a big scope for the growth as India's share in the Global Textile trade is poor second as compared to China. The opening of the global trade has provided trade environment as close to free trade as it can be, notwithstanding the duty-free access to some least developed countries in select developed markets. The free trade environment is a great opportunity to the Indian Textile Industry to increase its share in the Global Markets.

Beside, the shifting of Textile Industry from the developed countries to developing countries has also provided an excellent opportunity to the Indian Textile Industry to meet their requirements. The developed countries including US, UK, Germany and Japan have all accepted the reality that it is no longer commercially viable for them to have thriving Textile Industry and hence imports are the only feasible solutions to meet their requirements. The Textile Industry must tap this opportunity by modernizing its mills and building large capacities so that it can cater to the ever increasing demand of the textile products from the overseas buyers at competitive rates.

The Chinese textile industry has been and continues to be world largest industry. But lately the Chinese exports are slowing down on account of various factors i.e. increase in its domestic demand, rising labour cost and steadily appreciating currency which is proving to be a blessing in disguise for the Indian Textile Industry. This is a major opportunity and the Industry must exploit it. The Global buyers have already started moving their orders to the Indian Markets and India has become a preferred vendor in the mind of the global buyers (Retailers as well as International known brands). The Industry must utilize this available opportunity to the best of its advantage.

The depreciation of Rupee against foreign currencies, especially US Dollars has also provided a big opportunity to the Textile Industry. Now the Indian Textile products have become cheaper as compared to the other countries. This will definitely give a big push to the textile exports which in turn will help the country to put the Economy on the growth track. The current scenario of falling rupee is good only in the short term. In case the trend continues then it will have negative impact on the economy in the form of high Inflation and business climate.

The Textile Industry though appears to be bright, but it is not free from the normal business threats. Further, the small countries like Bangladesh, Pakistan, Sri Lanka,



Egypt, Turkey, Vietnam and others are posing serious challenges to the Indian Textile industry in the Global Markets and are ready to fill the overseas demands as they have demonstrated in the past.

To sum up, the Industry needs to take major steps and strategies for future sustainability and growth considering the advantages and challenges. It is apparent that the opportunities are heavier than the challenges and the industry must make most of it.

Segment wise or Product wise performance

The disclosure requirement of Accounting Standard A.S. 17, issued by the Institute of Chartered Accountants of India, New Delhi, Company's activities can be classified under two segments namely Yarn segment and Garment segment. The detailed performance has already been discussed in the Director's Report.

Future Outlook

During the year under review, the Textile Industry has performed reasonably well in comparison to the performance of the previous year. The economic recovery in USA and European Union, has given a hope that Indian Textile Industry is set for strong export growth. Besides the increasing level of income in the country is also likely to push domestic consumption, which augur well for the Industry. The India's inherent advantages in the form of abundant availability of raw material, India being the second largest producer of raw cotton in the world, skilled workforce and relatively low labour costs had enabled the Textile Industry to serve as a sourcing hub for the reputed International Brands.

Beside, the Central Government's export promotion policies for textile sector in the Union Budget and Foreign Trade Policy, has provided various incentives for the steady growth of the Textile Sector. The Union Budget for the Year 2013-14, has continued the support in the form of Technology Upgradation Fund (TUF) and scheme for Integrated Textile Parks. The increased rate of 3% under the Subvention Scheme has also provided a big relief to the Industry which will definitely ease the pressure on the financial performance of the Industry. The Foreign Trade Policy under Focused Market Scheme and Focused Product Scheme and broad basing the coverage of Market Linked Focus Product Scheme for Textile will also help the Industry to increase its share in the global trade of Textile Industry.

We are looking at the future with optimism and hope that the recovery in the economies of USA and European Union will propel the growth of the Textile Industry. We also expect that the Government through its policies will take further suitable remedial measures to strengthen the hands of the Textile Industry, so that it can compete globally and increase its share in the global Markets.

Risk and Concerns

We would like to share with you some of the risks and concerns associated with the Textile Industry. The relative competitiveness of the Indian Textile Industry is dependent on raw cotton prices, rupee exchange rate fluctuations and the prevalent Interest rate regime. The primary raw material for the manufacturing of yarn is cotton with the share of more than 60% of total cost. Cotton being an agriculture produce, its supply and quality are subject to the forces of nature i.e. monsoon. Availability of raw cotton at the reasonable price is crucial for the Spinning Industry. Any significant change in the raw cotton prices can affect the performance of the Industry.

Though Rupee depreciation against US Dollars provided a favorable opportunity for the exporters in short term but this situation is not likely to continue in the future. The Reserve Bank of India and Central Government has started taking the remedial measures to stabilize the Rupee as the stable currency is good not only for the Industry but for the Country as well. Apart from the above, to contain the inflationary conditions prevailing in the economy, Reserve Bank of India (RBI) has taken certain remedial measures by tightening the Monetary Policy which has resulted into High Interest Rate regime. The cost of funds i.e. Interest on borrowing from Banks and Financial Institutions stand increased and its continuation may impact the financial performance of the Industry, as the Industry is a capital intensive Industry.

In addition to the above, the other concerns are non availability of uninterrupted power supply, increased power costs, higher transaction costs, inadequate draw back rates which do not fully refund the taxes, high cost of labour. The slow recovery of the economies of US and European Union and other countries of the world are worrisome concern as the demand for the textile products is not picking up significantly.

Internal Control Systems and their adequacy

The Company maintains adequate internal control system and procedures which commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal Control System and to automate the various processes of the business, Company is making use of Enterprises Resource Planning (ERP). The company is also having Internal Audit Department which carries out audit work throughout the year. The main objective of such audit is to test the adequacy and effectiveness of Internal Control Systems laid down by the Management and to suggest improvement in the systems.

Besides, an Audit Committee consisting of three non executive directors has been constituted. All the



significant audit observation and follow up action thereon are taken care of by the Audit Committee. The Audit Committee met four times during the financial year under review.

Financial/Operational performance

During the year under review, Company's performance has been excellent on all parameters. The Company's operating Income at Rs.1961.28 crores has shown an impressive increase of 15.63 % over the previous year. Likewise the exports at Rs. 1299.76 crores has also shown an increase of 15.78 %. On profitability front too, the Company substantially improved its performance and earned a pre-tax profit of Rs. 134.05 crores as against loss of Rs. 173.45 crores. After providing for Income tax, FBT and deferred tax, the Company earned a Net Profit of Rs. 77.86 crores as against loss of Rs. 117.36 crores in the previous year. The detailed performance has already been discussed in the Directors Report under the column 'Company's performance'.

Human Resources/Industrial Relations

Beyond Balance Sheet lies company's singly biggest

Asset Human Resources. The Company is of firm belief that the Human Resources are the driving force that propels a company towards progress and success. The Company continued its policy of attracting and recruiting best available talent so that it can face business challenges ahead. The company also offers attractive compensation package to retain and motivate its professionals so that they can give their best. The total permanent employees strength of the Company was 11135 as on 31st March, 2013. The Industrial relation continued to remain cordial during the year.

Cautionary Statement

Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 30th July, 2013

JAWAHAR LAL OSWAL
(Chairman)

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Nahar Spinning Mills Limited

We have examined the compliance of conditions of Corporate Governance by Nahar Spinning Mills Limited for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company, for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor Grievance received during the year ended 31st March, 2013 is un-attended/pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gupta Vigg & Co.,
Chartered Accountants
Firm Reg. No. 001393N

Place: Ludhiana
Dated: 30th July, 2013

VINOD KHANNA
(Partner)
M.No. 81585



INDEPENDENT AUDITORS' REPORT

The Members of
M/s Nahar Spinning Mills Limited,
LUDHIANA.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Nahar Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For GUPTA VIGG & CO.

Chartered Accountants
Firm Regn.No.001393N

VIPAN KUMAR GUPTA

PARTNER

M.NO. 502737

Place: LUDHIANA.

Dated: 30.05.2013

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph (1) UNDER THE HEADING OF "Reporting on Other Legal and Regulatory Requirements" of our report of even date]

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) All the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
c) No substantial part of Fixed Assets has been disposed off during the year.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) On the basis of our examination of inventory records, we are of the opinion that the Company is maintaining proper records of the inventory. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- iii) According to the explanations and information given to us, the Company has neither granted nor taken any loan from the parties covered in the Register maintained under section 301 of the Companies Act, 1956. Hence, the clause 4(iii)(a) to (g) of the Companies (Audit Report) Order, 2003 are not applicable in the case of the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchase of inventory and fixed assets and for sale of goods & services. During the course of our audit, we have not observed any major weakness in internal control.
- v) According to the information and explanation given to us, we are of the opinion that there are no transactions that need to be entered in register maintained u/s 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposits from the public. Hence, the clause 4(vi) of the Order is not applicable to the Company.

- vii) In our opinion, the Company has internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of accounts and records of cost maintained by the Company pursuant to the rules made by Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not done a detailed examination of the records with a view to determine whether they are accurate and complete.
- ix) a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection Fund, Income Tax, Wealth Tax, Service Tax and other material statutory dues applicable to the Company, if any, have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013, for a period of more than six months from the date they became payable.
b) According to the records of the Company, no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, cess and Service Tax which have not been deposited on account of any dispute except those mentioned below :-

Sr. No.	Statutes	Forum before Whom pending	(Rs. in lacs)	Nature of Dues
1.	Finance Act	High court of Jabalpur	11.49	Service Tax
2.	Central Excise Act	High court of Jabalpur	29.08	Cenvat
3.	Custom/Central Excise Act	CESTAT	68.42	Excise/ Cenvat
4.	Finance Act	CESTAT	0.95	Service Tax/ Cenvat
5.	Income Tax Act	Comm Appeals	28.21	Income Tax
6.	M.P. Electricity Act	Supreme Court	129.19	Cess of Electricity

- x) The Company does not have any accumulated losses at the end of the financial year but has incurred cash loss in the financial year immediately preceding such financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans taken from banks and financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of



- pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- (xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In respect of investments made, in our opinion and according to the information and explanations given to us, proper records have been maintained of the investments and timely entries have been made therein. The investments have been held by the company in its own name.
- (xv) As per the information and explanations given to us, we are of the opinion that the terms and conditions at which guarantees have been given by the company for loans taken from financial institutions and/or banks by other, are not prejudicial to the interest of the Company
- (xvi) Based on the information & explanations given to us by the management, we are of the opinion that the loans taken were applied for the purpose they are obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, clause 4(xviii) of the order is not applicable.
- (xix) The Company has not issued debentures during the year. Therefore, the provisions of Clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xx) The Company has not raised money by way of public issue during the year. Therefore, the provisions of Clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For GUPTA VIGG & CO.
Chartered Accountants
Firm Regn.No.001393N

VIPAN KUMAR GUPTA
PARTNER
M.NO. 502737

Place: LUDHIANA.
Dated: 30.05.2013

**CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2012 TO 31ST MARCH, 2013 PURSUANT TO
CLAUSE 32 OF THE LISTING AGREEMENT** (Rs. in Lacs)

PARTICULARS	Current Year	Previous Year
Cash Flow from Operating Activities		
Net Profit Before Tax and Extra ordinary activities	13405.37	-17344.86
Adjustments for :		
Depreciation	8,755.06	8,444.15
Finance Cost	10,276.06	11,012.19
Interest received	(236.00)	(263.27)
Dividend Income	(12.97)	(11.13)
Net Gain on Sale of Investments	(28.96)	(51.80)
Profit/ Loss on sale of Fixed Assets	(90.74)	(129.11)
Operating Profit before Working Capital Changes	18,662.45	19,001.03
Adjustment for:		
Trade Receivables	1,043.26	(948.81)
Inventories	(17,860.53)	33,633.04
Increase/Decrease in Short term Loans & Advances	512.96	5,054.02
Increase/Decrease in Long Term Loans & Advances	(844.79)	1,549.54
Increase/Decrease in Short Term Borrowings	6,777.67	(17,033.65)
Increase/Decrease in Other current liabilities	40.06	267.24
Trade Payables	(769.64)	(1,576.43)
Cash Generated from Operations	(11,101.01)	20,944.95
Interest paid	(6,392.67)	(7,320.78)
Direct Taxes Paid	(1,127.66)	10.79
Net cash flow from operating Activities	(7,520.33)	(7,309.99)
Cash Flow from investing activities	13,446.48	15,291.13
Purchase of Fixed Assets	(5,468.81)	(17,415.58)
Capital Work in Progress	125.65	1,609.79
Sale of Fixed Assets	311.30	177.96
Sale of Investments	328.96	932.17
Interest Received	236.00	263.27
Dividend Income	12.97	11.13
Increase in Investments	(54.47)	(597.49)
Net cash used in investing activities	(4,508.40)	(15,018.75)
Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	2,237.79	13,720.60
Repayment of Long Term Borrowings	(7,167.16)	(9,397.00)
Interest Paid	(3,883.39)	(3,691.41)
Dividend Paid	-	(721.31)
Corporate Dividend Tax Paid	-	(117.01)
Net Cash used in Financing Activities	(8,812.76)	(206.13)
Net increase in Cash and Cash Equivalents	125.32	66.25
Opening Cash and Cash Equivalents and other bank balances	1,177.77	1,111.52
Closing Cash and Cash Equivalent and other bank balances	1,303.09	1,177.77

For & On behalf of the Board

Place : Ludhiana
Date : 30.05.2013BRIJ SHARMA
Company SecretaryANIL GARG
Finance ControllerS.K.SHARMA
DirectorDINESH OSWAL
Managing Director**AUDITOR'S CERTIFICATE**

We have checked the above Cash Flow Statement of NAHAR SPINNING MILLS LIMITED, derived from the audited financial statement for the year ended 31st March, 2013 with the books and records maintained in the ordinary course of business and found the same in accordance therewith.

Place : Ludhiana
Date : 30.05.2013For GUPTA VIGG & COMPANY
Chartered Accountants
Firm Reg.No.001393NVIPAN KUMAR GUPTA
Partner
(M.No.502737)

**BALANCE SHEET AS AT 31ST MARCH, 2013**

(Rs. In Lacs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I. Equity and Liabilities			
(1) Shareholder's Funds			
a) Share Capital	1	1805.31	1805.31
b) Reserves and Surplus	2	60435.38	53071.23
(2) Non-Current Liabilities			
a) Long-term borrowings	3	33857.00	40379.33
b) Deferred tax liabilities (Net)	4	4635.00	65.00
(3) Current Liabilities			
a) Short-term borrowings	5	79968.10	73190.43
b) Trade Payables	6	3266.73	4036.37
c) Other current liabilities	7	16123.01	14489.99
d) Short-term provisions	8	1417.94	6.25
Total		201508.47	187043.91
II. Assets			
1) Non-current assets			
a) Fixed assets			
i) Tangible assets	9	80245.77	83749.73
ii) Intangible assets	9	1.61	4.45
iii) Capital work-in-progress		3831.93	3957.58
b) Non-current investments	10	880.26	825.80
c) Long term loans and advances	11	3821.33	2976.54
2) Current assets			
a) Current investments	12	297.49	597.49
b) Inventories	13	64753.98	46893.45
c) Trade receivables	14	37135.24	38178.50
d) Cash and Bank Balances	15	1303.09	1177.77
e) Short-term loans and advances	16	9237.77	8682.60
Total		201508.47	187043.91

As per our report of even date annexed
For **GUPTA VIGG & COMPANY**
Chartered Accountants
Firm Reg.No.001393N

For & On behalf of the Board

VIPAN KUMAR GUPTA
Partner
(M.No.502737)

BRIJ SHARMA
Company Secretary

ANIL GARG
Finance Controller

S.K.SHARMA
Director

DINESH OSWAL
Managing Director

Place: Ludhiana
Date : 30.05.2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. In Lacs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
Income			
Revenue from operations	17	196185.14	169648.49
Less: Excise Duty		57.52	30.02
		196127.62	169618.47
Other Income	18	812.94	931.61
Total Revenue		196940.56	170550.08
Expenses:			
Cost of materials consumed	19.a	106000.87	109636.58
Purchase of Stock-in-Trade	19.b	594.97	562.63
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-917.15	8011.17
Employee benefit expense	21	13859.65	11171.02
Finance costs	22	10276.06	11012.19
Depreciation and amortization expense	9	8755.06	8444.15
Other expenses	23	44965.73	39050.58
Difference of excise duty on Stocks		0.00	6.62
Total Expenses		183535.19	187894.94
Profit/(Loss) before exceptional items and tax		13405.37	-17344.86
Exceptional items		0.00	0.00
Profit/(Loss) before tax		13405.37	-17344.86
Tax expense:			
1) Current tax			
Provision for Taxation		996.00	6.25
2) Deferred tax		4570.00	-5615.00
		5566.00	-5608.75
Profit(Loss) for the period		7839.37	-11736.11
Earning per equity share:	27		
(1) Basic		21.59	-32.50
(2) Diluted		21.59	-32.50

Accompanying notes form integral part of the financial statements

As per our report of even date annexed
For **GUPTA VIGG & COMPANY**
Chartered Accountants
Firm Reg.No.001393N

For & On behalf of the Board

VIPAN KUMAR GUPTA
Partner
(M.No.502737)**BRIJ SHARMA**
Company Secretary**ANIL GARG**
Finance Controller**S.K.SHARMA**
Director**DINESH OSWAL**
Managing DirectorPlace: Ludhiana
Date : 30.05.2013



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. In Lacs)

Note No.	PARTICULARS	Current Year	Previous Year		
1.	SHARE CAPITAL				
	A) AUTHORISED				
	600,00,000 Equity Shares of Rs.5/- each (Previous Year 60000000 Equity Shares of Rs.5/- Each)	<u>3000.00</u>	<u>3000.00</u>		
	B) ISSUED SUBSCRIBED & PAID UP				
	36065303 Equity Shares of Rs.5/- Each fully paid up (Previous Year 36065303 of Rs.5/- Each)	<u>1803.27</u>	<u>1803.27</u>		
	Add : Share Forfeited Account (Amount originally paid up)	<u>2.04</u>	<u>2.04</u>		
	TOTAL	<u>1805.31</u>	<u>1805.31</u>		
	a) Terms/rights attached to equity shares				
	The company has only one class of shares having par value at Rs. 5/-per share. Each holder of equity shares is entitled to one vote per share				
	b) Reconciliation of number of shares				
	Number of shares at the beginning of the Financial year	<u>36065303</u>	<u>36065303</u>		
	Add: Shares Issued During the year	-	-		
	Less: Share buy back during the year	-	-		
	Number of shares at the end of the Financial year	<u>36065303</u>	<u>36065303</u>		
	c) Detail of shareholders holding more than 5% shares				
	Name of the Shareholder	No. of Shares Held	%Age	No. of Shares Held	%Age
	1. Nahar Capital and Financial services Limited	<u>10257384.00</u>	<u>28.44</u>	<u>10257384.00</u>	<u>28.44</u>
	2. Nahar Poly Films Limited	<u>6902244.00</u>	<u>19.14</u>	<u>6611332.00</u>	<u>18.33</u>
	3. Nahar Industrial Enterprises Limited	<u>2356930.00</u>	<u>6.54</u>	<u>2356930.00</u>	<u>6.54</u>
	d) Forfeited Shares (amount originally paid up)				
	Amount Paid Up	No. of Shares		No. of Shares	
	Rs. 2.50 per Share	<u>80298</u>		<u>80298</u>	
	Rs. 5.00 per Share	<u>710</u>		<u>710</u>	
2.	RESERVES AND SURPLUS				
	A) Capital reserve				
	Balance as per Last Balance Sheet	<u>1363.86</u>		<u>1363.86</u>	
	B) Securities premium reserve				
	Balance as per Last Balance Sheet	<u>20959.85</u>		<u>20959.85</u>	
	C) Capital Subsidy				
	Balance as per Last Balance Sheet	<u>150.00</u>		<u>150.00</u>	
	D) General Reserve				
	Balance as per Last Balance Sheet	<u>30597.52</u>		<u>42317.64</u>	
	Add: Transfer From/ to Surplus	<u>7364.15</u>	<u>37961.67</u>	<u>-11720.12</u>	<u>30597.52</u>



(Rs. In Lacs)			
Note No.	PARTICULARS	Current Year	Previous Year
	E) Surplus		
	Profit/(Loss) Transfer From Profit & Loss A/c	7839.37	-11736.11
	Less: Adjustment of Income Tax earlier Years	53.28	0.00
	Add: Adjustment of Income Tax earlier Years	0.00	15.99
	Less: Proposed Dividend	360.65	0.00
	Less: Tax on Dividend	61.29	0.00
	Balance Transfer to General Reserve	7364.15	-11720.12
	TOTAL	60435.38	53071.23
3.	LONG TERM BORROWINGS		
	SECURED		
	TERM LOAN		
	I. FROM STATE BANK OF INDIA	1896.23	3547.43
	The Term Loans of Nahar Spinning Mills Limited are secured by first charge by way of Hypothecation on the entire fixed assets of the units situated at Mandideep, Lalru (except of unit - III at Lalru) and Ludhiana on pari -passu basis with member consortium banks. The Term Loan of Textile units of erstwhile Nahar Exports Limited is secured by first charge by way of hypothecation on the entire fixed assets of said units. The charge referred above rank Pari-Passu basis with existing charge holders. The Term loans are personally guaranteed by three Directors of the company.		
	- Term loan of Rs. 7000 Lacs is repayable in quarterly installments by 31/12/2014.		
	- Term loan of Rs. 6000 Lacs is repayable in quarterly installments by 31/12/2015.		
	II. FROM STATE BANK OF PATIALA	6695.34	6944.31
	Secured by hypothecation of movable & immovable assets of units at Mandideep / Ludhiana / Lalru (except of unit - III at Lalru) Pari-pasu with the company's bankers for working capital Borrowings and also personally guaranteed by three Directors of the Company. Further Term Loan of Rs. 8500 Lacs is secured by first pari passu charge on all the present and future fixed assets of the company along with other term lenders. This loan is also personally guaranteed by three directors of the company.		
	- Term loan of Rs.1400 Lacs and 1000 Lacs is repayable in quarterly installments by 01/10/2014.		
	- Term loan of Rs.8500 Lacs is repayable in quarterly installments by 01/04/2018.		
	III. FROM PUNJAB NATIONAL BANK	2187.45	3447.06
	Sanctioned Term Loan of Rs. 2400 Lacs from		



			(Rs. In Lacs)	
Note No.	PARTICULARS	Current Year	Previous Year	
	<p>PNB is secured by first Charge by way of hypothecation of entire block of assets of the company's unit situated at Jodhan. The charged referred above rank Pari-Passu with the other term lenders of erstwhile Nahar Exports Ltd. Further Sanctioned Term Loan of Rs.7550 Lacs is secured by first Pari-passu Charge on the units of Mandideep, Lalru (except unit - III) and Ludhiana and also personally guaranteed by three Directors of the Company.</p> <ul style="list-style-type: none">- Term loan of Rs.7550 Lacs is repayable in quarterly installments by 31/03/2016.- Term loan of Rs.2400 Lacs is repayable in quarterly installments by 31/01/2014.			
IV.	FROM ORIENTAL BANK OF COMMERCE	12925.98	15543.83	
	<p>Sanctioned Term Loan of Rs.12400 Lacs of erstwhile Nahar Exports Limited is secured by first charge on specific fixed assets i.e. Hypothecation of Plant & Machinery to be Purchased under the project of estimated cost of Rs. 15571 Lacs of the units situated at Jodhan and Jitwal Kalan. Sanctioned Term Loans is personally guaranteed by a Director of the Company. Sanctioned Term Loan of Rs.7500 Lacs is secured by first Pari-Passu charge on the Units of Mandideep, Lalru (except unit - III) and Ludhiana. Further term loan of Rs.13000 Lacs is secured by first charge on fixed assets of the company (Except assets exclusively financed by State Bank of India) on pari - passu basis with other term lenders. The Term Loans are personally guaranteed by three Directors of the Company.</p> <ul style="list-style-type: none">- Term loan of Rs. 7500 Lacs is repayable in quarterly installments by 30/09/2016.- Term loan of Rs. 12400 Lacs is repayable in quarterly installments by 01/01/2017.- Term loan of Rs. 13000 Lacs is repayable in quarterly installments by 01/01/2021.			
V.	FROM CANARA BANK	1168.40	1946.56	
	<p>Secured by first charge on specific fixed assets of the units situated at Jodhan. It is further secured by Pari-Passu second charge on existing fixed assets of erstwhile Nahar Exports Ltd. alongwith other banks. The Term Loan is personally guaranteed by three Directors of the Company.</p> <ul style="list-style-type: none">- Term loan is repayable in quarterly installments by 09/09/2015.			



			(Rs. In Lacs)	
Note No.	PARTICULARS	Current Year	Previous Year	
	VI FROM IDBI BANK LTD	8363.60	8925.00	
	Secured by first Pari passu Charge (hypothecation) on fixed assets on all fixed movable assets and Negative Lien on Immovable fixed assets (land & Building) The Term Loan is personally guaranteed by three Directors of the Company. - Term loan is repayable in quarterly installments by 01/07/2020.			
	VII FROM ALLAHABAD BANK	620.00	25.14	
	Secured by first Pari-Passu charge on the entire fixed assets of the Company both present and future - Term loan is repayable in quarterly installments and last installment due on 30/09/2019.			
	TOTAL	33857.00	40379.33	
4.	DEFERRED TAX LIABILITIES (NET)			
	Timing Difference on account of Depreciation, change in rate of Tax etc.	6058.00	6069.75	
	Add/Less: Timing Difference on account of Allowances under section 43B, Loss & Others	1423.00	6004.75	
	TOTAL	4635.00	65.00	
5.	SHORT TERM BORROWINGS			
	Loans repayable on Demand (Secured)			
	WORKING CAPITAL BORROWINGS FROM BANKS	79968.10	73190.43	
	Secured by (I) Hypothecation of entire present and future movable assets of the company such as Stock of Materials, Work in process, Finished Goods, Goods in transit, Stores and Spares, Book Debts etc. (II) 2nd Charge (on pari-passu basis) over entire plant and machinery, present or future, of all the units of the company and also personally Guaranteed by Chairman, Managing Director and one Director of the Company.			
	TOTAL	79968.10	73190.43	
6.	TRADE PAYABLES	3266.73	4036.37	
	[refer note 28 (xiii)]			
7.	OTHER CURRENT LIABILITIES			
	A) Current Maturities of Long-Term Debt	8862.81	7269.85	
	B) Interest accrued but not due on borrowings	22.23	18.96	
	C) Unpaid Dividend	94.22	111.75	
	D) Others	7143.75	7089.43	
	TOTAL	16123.01	14489.99	
8.	SHORT TERM PROVISIONS			
	A) Provisions for Employee's Benefits	0.00	0.00	
	B) Others			
	Provision for Taxation	996.00	6.25	
	Proposed Dividend	360.65	0.00	
	Tax on Proposed Dividend	61.29	0.00	
	TOTAL	1417.94	6.25	



9. FIXED ASSETS (Rs. In Lacs)

Name of the Assets	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	As on 01.04.2012	Addition Du-ring the Year	Sale/Adj During the year	As on 31.03.2013	As on 01.04.2012	Addition For the Year in the year	Written back 31.03.2013	As on 31.03.2013	As on 31.03.2012
1. TANGIBLE ASSETS :									
Free hold Land	12,304.10	935.09	-	13,239.19	-	-	-	13,239.19	12,304.10
Building	32,913.73	709.87	40.69	33,582.91	9,577.57	1,012.02	5.06	22,998.38	23,336.16
Plant & Machinery	121,125.76	3,445.51	1,014.08	123,557.19	74,451.49	7,463.58	963.55	42,605.67	46,674.27
Vehicles	1,324.68	224.72	289.63	1,259.77	656.32	149.48	160.48	614.45	668.36
Other Equipments	1,676.83	112.19	15.43	1,773.59	1,099.08	86.64	14.57	602.44	577.75
Furniture & Fixture	826.37	41.43	69.24	798.56	637.28	40.50	64.86	185.64	189.09
Total (A)	170171.47	5468.81	1429.07	174211.21	86421.74	8752.22	1208.52	93965.44	83749.73
2. Intangible Assets :									
Software	18.31	-	-	18.31	13.86	2.84	-	16.70	4.45
Total (B)	18.31	-	-	18.31	13.86	2.84	-	16.70	4.45
Total (A+B)	170189.78	5468.81	1429.07	174229.52	86435.60	8755.06	1208.52	93982.14	83754.18
Previous Year									
A) Tangible Assets :	153,363.35	17,415.58	607.46	170,171.47	78,539.87	8,440.49	558.62	86,421.74	83,749.73
B) Intangible Assets :	18.31	-	-	18.31	10.20	3.66	-	13.86	4.45
Total (A+B)	153381.66	17415.58	607.46	170189.78	78550.07	8444.15	558.62	86435.60	74831.59



(Rs. In Lacs)			
Note No.	PARTICULARS	Current Year	Previous Year
10.	NON-CURRENT INVESTMENTS		
	Investment in equity instruments		
	Quoted (At Cost)		
	In Associates		
	i) (567656 Equity Shares of Rs. 5/- each fully paid up of Nahar Capital & Financial Services Ltd. (Previous Year 567656 Equity shares)	247.62	247.62
	ii) (993989 Equity Shares of Rs.5/- each fully paid up of Nahar Poly Films Ltd. (Previous Year 734674 Equity Shares)	422.78	368.32
	In Others		
	iii) 1892 Equity Shares of Rs.10/-each fully paid up of MOIL Ltd. (previous Year 1892 Equity Shares)	7.10	7.10
	iv) 4893 Equity Shares of Rs.10/- each fully paid up of Punjab & Sind Bank (Previous Year 4893 Equity Shares)	5.87	5.87
	Unquoted (At Cost)		
	In Associates		
	i) 250000 Equity Share 1GBP fully paid up of Crown Star Ltd. (Previous Year 250000 Equity Shares)	196.89	196.89
	In Others		
	ii) 10 equity shares of Rs.50/- each fully paid up of Shree Panchvati Co-Operative Housing Society Ltd. (Previous year 10 Equity shares)	0.005	0.005
	TOTAL	<u>880.26</u>	<u>825.80</u>
	Book value of quoted investment	683.37	628.91
	Book value of unquoted investment	196.89	196.89
	Market Value of Quoted Investments	382.10	425.34
11.	LONG TERM LOANS AND ADVANCES		
	(Unsecured Considered Good)		
	A) Capital Advances	1890.85	1282.98
	B) Security Deposits	1930.48	1693.56
	TOTAL	<u>3821.33</u>	<u>2976.54</u>
12.	CURRENT INVESTMENTS		
	A) Investments in Mutual funds		
	QUOTED(At Cost)		
	i) (Nil units of DSP Blackrock FMP - 12M series 25-Growth (Previous year 1000000 Units of Rs.10/- each fully paid up)	0.00	100.00
	ii) Nil units of TATA Fixed Maturity Plan series 35 Scheme C-Growth (Previous year 2000000 Units of Rs.10/- each fully paid up)	0.00	200.00



				(Rs. In Lacs)	
Note No.	PARTICULARS	Current Year	Previous Year		
	B) Other Investment (unquoted at cost)	297.49	297.49		
	TOTAL	297.49	597.49		
	Book value of quoted investment	0.00	300.00		
	Market Value of Quoted Investments	0.00	319.79		
13.	INVENTORIES				
	Stores & Spares	1851.94	1949.77		
	Goods in Transit (Store & Spare)	7.34	0.11		
	Raw Material	48163.67	31100.58		
	Goods in Transit (Raw Material)	22.69	51.80		
	Work in Progress	5080.08	4691.72		
	Finished Goods	8385.92	8572.91		
	Stock in Trade	55.97	66.63		
	Waste and Rejections	1186.37	459.93		
	TOTAL	64753.98	46893.45		
14.	TRADE RECEIVABLES				
	(Unsecured Considered Good Unless Otherwise Stated)				
	Trade Receivables Outstanding for a Period Exceeding Six Months.	152.22	486.82		
	(out of above Rs.69.51 Lacs, Previous year Rs.396.36 Lacs Considered Doubt full but not Provided for)				
	Other Trade Receivables.	36983.02	37691.68		
	TOTAL	37135.24	38178.50		
15.	CASH AND BANK BALANCES				
	A) Cash and Cash equivalents				
	i) Balances with banks	912.34	792.63		
	ii) Cheques, drafts in hand	21.07	2.68		
	iii) Cash in Hand	89.80	86.68		
	B) Other Bank Balances				
	i) in Dividend Accounts	94.22	111.75		
	ii) In Fixed Deposits				
	(a) Under margin money/Lien				
	Maturity period within 12 months	184.34	179.35		
	Maturity period more than 12 months	0.30	3.65		
	(b) Others	1.02	1.03		
	TOTAL	1303.09	1177.77		
16.	SHORT TERM LOANS AND ADVANCES				
	(Unsecured Considered Good)				
	A) Loans and advances to related parties	0.00	0.00		



				(Rs. In Lacs)	
Note No.	PARTICULARS	Current Year	Previous Year		
	B) Others				
	i. Balance with Customs, Port Trusts, Excise Authorities etc.	1.11	1.10		
	ii. Modvat / Cenvat Credit Unutilised	573.84	560.43		
	iii. Others	7362.81	7937.76	7889.19	8450.72
	C) Advance Taxes	1300.01			231.88
	TOTAL	9237.77			8682.60
17.	REVENUE FROM OPERATIONS				
	A) Sale of Products				
	i) Export Sales	129976.04			112263.94
	ii) Domestic Sales	59439.99			49367.36
	iii) Export Incentives	5534.96			6554.50
	B) Sale of Services	744.82			986.59
	C) Other Operating Revenues				
	Sales Miscellaneous	258.77			336.50
	Rebate and Discount Received	107.51			66.64
	Claims Received	100.90			51.00
	Miscellaneous Receipts	22.15			21.96
	TOTAL	196185.14			169648.49
	Detail of Sale				
	i) Export Sales				
	Hosiery Garments	19841.77			14055.96
	Cotton/ Blended yarn	109249.45			96909.18
	Waste	884.82			1298.80
	TOTAL	129976.04			112263.94
	ii) Domestic Sales				
	Hosiery Garments	955.15			627.99
	Cotton/ Blended yarn	43645.26			32458.28
	Waste	13178.80			11649.26
	Others	1660.78			4631.83
	TOTAL	59439.99			49367.36
18.	OTHER INCOME				
	A) Interest Income	236.00			263.27
	B) Dividend Income				
	From Non-Current investments	12.97			11.13
	C) Net Gain on sale of Investments				
	From Current investments	0.00		1.12	
	From Non-Current investments	28.96	28.96	50.68	51.80
	D) Gain on sale of Fixed Assets	99.24			132.12
	E) Previous Year Expenses Written Back	257.17			264.73
	F) Previous Year Income	45.60			80.03



(Rs. In Lacs)			
Note No.	PARTICULARS	Current Year	Previous Year
	G) Rental Income	79.93	74.66
	H) Balance Written Back	53.07	53.87
	TOTAL	812.94	931.61
19.a	COST OF MATERIALS CONSUMED		
	OPENING STOCK	31100.58	56982.70
	Add : Purchases (Net)	123063.96	83754.46
	Less: Closing Stock	48163.67	31100.58
		<u>106000.87</u>	<u>109636.58</u>
	Details of materials Consumed		
	Cotton yarn/ acrylic/blended yarn	14506.06	11767.02
	Cotton/Manmade/Synthetic fibres*	91341.13	97795.98
	Others	153.68	73.58
	TOTAL	106000.87	109636.58
	Imported	558.96	1236.30
		0.53%	1.13%
	Indigenous	105441.91	108400.28
		99.47%	98.87%
	*Inter unit cotton yarn consumed for garment & mercerising unit have been shown as yarn consumed rather than cotton fibre.		
19.b	PURCHASES OF TRADED GOODS		
	Hosiery Garments	180.09	94.26
	Cotton Yarn	414.88	468.37
	TOTAL	594.97	562.63
20.	CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK-IN-PROGRESS/STOCK-IN-TRADE		
	Opening Stock		
	Work-in-Progress	4691.72	4248.82
	Finished Goods / Stock in Trade	9099.47	17553.54
	Less: Closing Stock		
	Work-in-Progress	5080.08	4691.72
	Finished Goods / Stock in Trade	9628.26	9099.47
		<u>-917.15</u>	<u>8011.17</u>
21.	EMPLOYEE BENEFIT EXPENSES		
	A) Salaries and wages	12252.54	9853.13
	B) Contribution to PF, ESI and Gratuity Fund	1281.98	1059.78
	C) Staff Welfare Expenses	325.13	258.11
	TOTAL	13859.65	11171.02



				(Rs. In Lacs)	
Note No.	PARTICULARS	Current Year	Previous Year		
22.	FINANCE COSTS				
	A) Interest Expenses				
	i) Interest on Term Loan	3883.39			3691.41
	ii) Interest On Cash Credit	6309.68			7252.63
	iii) Interest to Others	12.07			13.40
	B) Other Borrowing Costs	70.92			54.75
	TOTAL	10276.06			11012.19
23.	OTHER EXPENSES				
	Consumption of stores & spare parts	1359.11			938.22
	Power and Fuel	24036.18			18173.86
	Dyes & Chemicals	2612.16			2057.78
	Fabrication Charges	4.00			6.09
	Rent	41.58			38.65
	Repair to Buildings	269.02			178.19
	Repair to Machinery	2603.29			1917.46
	Insurance	212.35			188.65
	Rates & Taxes	211.98			145.06
	Auditors Exp				
	Audit Fees	17.76		16.16	
	Tax Audit Fees	3.12		2.85	
	Certification Charges	1.81		1.01	
	Out of Pocket Expenses	1.03	23.72	0.77	20.79
	Exchange Rate Diff.(Net)	70.75			105.65
	Previous Year Expenses	72.29			23.35
	Previous Year Income Written Off	20.65			2.72
	Brokerage / Commission on Sale	1955.44			2046.23
	Cost of Raw Material Sold	677.37			4361.09
	Forwarding Charges	5100.11			4065.96
	Packing Store Consumed	3279.96			2893.17
	Vehicle Maintenance and Conveyance	348.20			323.08
	Bank Charges	575.24			405.92
	Rebate and Discount	153.69			179.14
	Others	1338.64			979.52
	TOTAL	44965.73			39050.58

**24. SIGNIFICANT ACCOUNTING POLICIES:****i) ACCOUNTING CONVENTION:**

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act 1956.

ii) REVENUE RECOGNITION:

- a) Sale of goods is recognized at the point of dispatch of finished goods to the customers. The sale value is inclusive of excise duty wherever applicable paid on the clearance of finished goods.
- b) Revenue in respect of benefit under Duty Entitlement Pass Book Scheme/Duty Drawback Scheme is recognized on post export basis.
- c) Revenue in respect of Insurance and other claims is recognized when no significant uncertainty exists with regard to the amount to be realized.
- d) Scrap (i.e. Empties, Wastages etc. Other than Production) is accounted for on sale basis.
- e) Interest Income is recognized on time basis
- f) Investment Income is accounted for on sale basis
- g) Dividend income is recognized when the right to receive is established.

iii) FIXED ASSETS AND DEPRECIATION:

- A. Tangible assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation is charged on following basis.
 - a) In Garment Division at Ludhiana, depreciation is charged on W.D.V. basis at the rates prescribed in schedule XIV of the Companies Act, 1956,
 - b) In Units at Mandideep, Jalalpur, Lalru and Jodhan, depreciation is charged on Straight Line basis as per rates specified in schedule XIV of the Companies Act 1956.
 - c) In unit Nahar Fibres, Jitwal Kalan, Depreciation on Fixed Assets is charged on Straight Line basis as per rates specified in schedule XIV of the Companies act, 1956, except on other Equipments, Furniture and Fixtures and Vehicles where depreciation is provided on W.D.V. basis as per rates specified in Schedule XIV of the Companies Act, 1956.
 - d) Assets below Rs. 5000 are depreciated at rate of 100%
- B. Intangible assets are stated at cost less accumulated amount of amortization. Such assets are amortized on Straight Line Basis on the estimated useful life.

iv) INVESTMENT:

Non Current Investments are stated at cost. Diminution in value of Investment if any is not considered because of temporary nature. Current Investments are valued at lower of cost or fair value.

v) INVENTORIES:

Inventories are valued at cost or net realizable value, whichever is lower. However to determine the cost, the following methods are adopted:-

- For Raw Material on moving weighted average method.
- For Stores and Spares on moving weighted average method.
- For Work-in-Process, cost of Raw Material plus appropriate share of manufacturing expenses/relevant Overheads.
- For Finished goods, cost of raw material plus conversion costs, packing cost and other overheads incurred to bring the inventories to their present condition and location.
- Further Wastage and Rejections are valued at net realizable value only.
- Goods in Transit are valued at cost.

**vi) RETIREMENT BENEFITS:****a) Gratuity**

The Company has taken a Group Gratuity Policy from LIC of India to discharge its liability for Gratuity. The calculation of premium under the policy is made on the basis of actuarial valuation done by LIC.

b) Provident Fund:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.

vii) FOREIGN EXCHANGE TRANSACTION:

a) The gains or losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities other than those covered by forward contracts have been valued at the exchange rate prevailing at the close of the financial year. The exchange difference on foreign currency transactions relating to fixed assets acquired from a country outside India are being adjusted to revenue.

b) In respect of Forward contracts, forward premium or discount arising at the inception of forward contract is amortized as expenses or income over the life of contract. Exchange differences on such contracts are recognized in the Statement of profit and loss in the year in which exchange rates change.

Any Profit and Loss arising on cancellation or renewal of forward exchange contract is recognized as income or expenses in the period in which such income or loss arises.

viii) EXCISE DUTY/ VALUE ADDED TAX:

Excise Duty payable on finished goods, if any, is accounted for on clearance of goods from the factory. Cenvat in respect of excise duty paid on Raw Material, Stores and Capital Goods is taken, if any, in accordance with the Cenvat Credit Rules 2004. Credit of value added tax paid on inputs or capital goods is reduced from the purchase cost of related goods and debited to input tax credit account.

ix) WARRANTY CLAIMS:

As per the nature of Company's business, the question of warranty claims does not arise. The routine claims on account of quality or quantity lodged with the company other than those which are disputed one, are accounted for as and when accepted by the Company.

x) EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD:

In respect of new/major expansion of units, the indirect expenditure incurred during construction period upto the date of commencement of commercial production is capitalized on various categories of fixed assets on proportionate basis.

xi) BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xii) GOVERNMENT GRANTS/SUBSIDY:

Government Grants/ Subsidy are recognized, when there is a reasonable assurance that

- i) The Company will comply with conditions attached to them and
- ii) The Grants/Subsidy will be received.

The Government Grants/Subsidy received for specific asset is reduced from the cost of the asset.

xiii) ACCOUNTING FOR TAXES ON INCOME:

Provision for taxation for the year comprises of current taxes and deferred tax. Current taxes consists of Income Tax and Wealth Tax. Current Tax is the amount of Income tax determined to be payable in respect of taxable income for the period. Deferred tax is calculated for timing difference that originates in one period and is capable of reversal in the subsequent period.

xiv) IMPAIRMENT OF ASSETS:

At each Balance Sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an Impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts.

**xv) PROVISION AND CONTINGENT LIABILITIES**

- a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:
 - the company has a present obligation as a result of past event.
 - A probable outflow of resources embodying economic benefits is expected to settle the obligation and
 - the amount of the obligation can be reliably estimated.
- b) Contingent Liability is disclosed in case of :
 - A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - A possible obligation, unless the probability of outflow in settlement is remote.
- c) Re-imburement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the re-imburement will be received.

25. CONTINGENT LIABILITIES NOT PROVIDED FOR:

- a. Bank guarantees outstanding Rs.1665.89 Lacs (Previous Yr. 1665.89Lacs)
- b. The Company has bound itself unto the President of India for Rs.138.00 Lacs (Previous Year Rs.138.00 Lacs) under Central Excise Act, 1944 for clearance of goods without payment of excise duty, in respect of export of various types of yarn and for storage of various commodities manufactured within factory premises.
- c. Excise/Sales Tax/ Other Government Authorities have raised demands of Rs.148.06 Lacs (Previous Year Rs.185.07 Lacs) out of which a sum of Rs.9.90 Lacs(Previous Year Rs. 9.90 Lacs) has been deposited as security deposit, the same are being contested in appeal and no provision has been made.
- d. Electricity demand raised by Madhya Pradesh Electricity board

There is an electricity demand of Rs 3212.54 Lacs (Previous year Rs.3212.54 Lacs) raised by MPMK VV Co Ltd. in spite of surrender of electricity connection by the company and the same was being contested in the Hon'ble High court of Jabalpur. Against this company has deposited Rs. 561.92 Lacs with the MPMK VV CO. Limited. and has also furnished a bank guarantee for Rs. 1662.54 Lacs.

The matter was decided by the Hon'ble High Court , Jabalpur vide order dated 16th December 2009 . The order is as follow:

- i) "As a consequence the company is granted permission to set up captive power plant of 4.1 MW capacity in its Unit No.1 and 2"
- ii) "As a further consequence, we direct the Board to redetermine the tariff/minimum charges on the basis of reduced contract demand of 1000 KVA in case of Unit No. 1 and 0 KVA in case of Unit No.2 w.e.f. 01/08/1999 and raise bills, If any, with a further direction that in case if the company found to be owing certain arrears to the Board pursuant to redetermination as directed hereinabove, the same be adjusted from SD of Rs. 110.85 Lacs"
- iii) " We further direct the Board to issue correct electricity bills of the period after 01.08.1999 on the basis of reduced contract demand as aforesaid and settle the accounts with the Company keeping in view the aforesaid directions within 6 months"

The above order has been contested by MPMKV Co. Ltd.by way of SLP in the Hon'ble Supreme Court and the following interim order has been passed by Hon'ble Supreme Court on dated 29.03.2010

"responded No. 1 (M/s Nahar Spinning Mills Ltd.) restrained from taking steps for recovering amount of Rs. 561.92 Lacs or from return the Bank Guarantee given for Rs. 1662.54 Lacs There will be a further direction upon the respondent No.1 to keep the Bank Guarantee renewed during the pendency of the matter in this court."

"The matter is pending for final decision with the Hon'ble Supreme Court." No provision for the same has been made.

- e) The Madhya Pardesh Government's ordinance to collect cess on Captive Power generation was declared ultravires by the Hon'ble Supreme court vide order dated 09/12/2003. But the State Government subsequently enacted an act namely M.P.Upkar (Sanshodhan tatha vidhimanyatakaran) Adhiniyam 2004 on 15th April 2004 which deemed to have come in to force from 29.06.2001.After the above act, the M.P.High



Court passed an order dated 31/08/2007 to collect the dues of Cess from Captive Power plant users along with interest. According to this order, on the disputed amount, Rs. 147.40 Lacs (Previous year Rs. 124.56 lac) is payable as interest. The above referred order has been agitated by some actual users in Hon'ble Supreme Court and matter being sub-judice, hence liability has not been provided for.

- f) The Company has given the following Guarantees in respect of loans granted by the banks.
Rs.2500 Lacs (previous year Rs.2500 Lacs) to Oriental Bank of Commerce and Rs. 1500 Lacs (previous year 1500Lacs) to Bank of Maharashtra in respect of financial assistance granted by the said banks to M/s Nahar Poly Films Limited, Ludhiana.
- g) Levy of Entry Tax on certain items including yarn by the Punjab Government is subjudice before the Hon'ble Punjab & Haryana High Court. The Punjab Government has deferred the same subject to undertaking by the company that if the same is hold valid by the Hon'ble High Court, then company will deposit the same w.e.f the date of undertaking. The amount of such entry tax is Rs. 102.20 Lacs (previous year Rs.57.68 Lacs). It has no effect on the profitability of the company since the same will be claimed as Input Tax Credit

26. Commitments

- I. Estimated amount of Contracts remaining to be executed, net of advances

Particular	Current year	Previous Year
On Capital Accounts	14816.79 Lacs	9342.05 Lacs
On Others	8.13 Lacs	65.53 Lacs

- II. The Company has executed legal agreement/bonds/undertakings for the sum of Rs.4863.32 Lacs (Previous Year Rs. 8124.93 Lacs) with the Central Government, undertaking to export Hosiery Knitwear, yarn and other goods of F.O.B. value of Rs.61766.85 Lacs (Previous Year Rs. 120029.51Lacs) against the issuance by the Government of Advance Licenses/E.P.C.G. Licenses with Duty Exemption entitlement Certificates/Pass books for the Import of Raw Materials, Machinery and Components etc. for the aggregate C.I.F./duty saved value of Rs.6865.49 Lacs (Previous Year Rs. 7273.19 Lacs).

27. As per Accounting Standard 20 of the Institute of Chartered Accountants of India, Earning Per Share is calculated below:

Particulars	Current Year	Previous Year
Profit/(Loss) after Taxation	7,786.09	(11,720.12)
Number of Shares Issued	36,065,303	36,065,303
Earning Per Share in Rs. (Basic & Diluted) (Face Value of Rs. 5/- Share)	21.59	(32.50)

28. Other Notes

- i) Interunit job work and interunit sales are billed at market price. The closing stock of units is partly comprised of such material lying in finished or semi-finished stage. The mode of valuation referred to 'At Weighted Average Cost' represents costs worked out by taking into account the price charged by such units.
- ii) Salaries & wages incurred during the year on repairs and maintenance of Building and Plant & Machinery etc. have been charged to former accounts and not shown separately.
- iii) In the opinion of the board, the value of Current Assets, Loans and Advances have a value in the ordinary course of business at least equal to that stated in the balance sheet except in case of those shown as doubtful. No provision have been made for doubtful debts
- iv) Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.
- v) Borrowing cost amounting Rs. 41.19 Lacs (Previous Year Rs.285.40 Lacs) has been capitalized during the year.
- vi) Material events occurring after the balance sheet date are taken into cognizance.
- vii) Prior period and extraordinary changes in accounting policies, having material effect on the financial affairs of the Company (if any) are disclosed.
- viii) The accounts of the Company have been prepared on going concern basis.
- ix) Previous year figures have been regrouped/recasted/rearranged/reclassified wherever necessary to make them comparable.



- x) All figures have been rounded off to the nearest Rs.Lacs
- xi) Income in respect of Carbon Credits is accounted for only on sale as it does not have any cost to the company.
- xii) In accordance with Accounting Standard (AS)-28 on impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April, 2004, the company has assessed as on Balance Sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the standards) with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.
- xiii) There are no Micro & Small enterprises covered under Micro, Small and Medium Scale Development Act 2006, to whom the company owes dues, which are outstanding for more than 45 days, hence no disclosure has been given. This information has been determined on the basis of intimation received from such parties.
- xiv) The company is eligible for Sales Tax incentives /subsidies from government of Madhya Pradesh. The same is being accounted for on receipt basis as the availability of the above incentives/subsidies is only on the basis of completion of certain formalities.

xv) Impact of prior period items on Profits/(Loss) is as under:

	Rs. In Lacs	
	Current Year	Previous Year
Pre- Tax Profit/(Loss) after adjustment of prior period Item	13,405.37	(17,344.86)
Add: Prior Period Expenses	92.94	26.07
Less: Prior Period Income	302.77	344.76
Net Profit/(Loss) Before Prior Period Items	13,195.54	(17,663.55)

- xvi) As per Accounting Standard 17, issued by the Institute of Chartered Accountants of India regarding Segment Reporting, the detail is as under:

PARTICULARS	Rs. in Lacs					
	Yarn		Garment		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Total Revenue	181,356.93	158,311.04	24,890.67	19,128.32	206,247.60	177,439.36
Less: Inter Segment Revenue	10,252.47	8,146.33	356.85	150.67	10,609.32	8,297.00
Net Revenue	171,104.46	150,164.71	24,533.82	18,977.65	195,638.28	169,142.36
Results						
Segment Result (Before Tax & Finance Cost)	20,779.23	(8,625.84)	2,473.88	1,695.79	23,253.11	(6,930.05)
Less: A. Finance Cost					10,276.06	11,012.19
B. Other Unallocable exp.					(179.35)	(322.98)
Net of Unallocable Income					248.97	274.40
Add: Interest / Dividend Income						
Profit Before Tax					13,405.37	(17,344.86)
Less: Income Tax					1,049.28	9.74
Deferred Tax					4,570.00	5,615.00
Profit from Ordinary Activities					77,86.09	(11,720.12)
Capital Employed						
Segment Assets	169,940.06	165,918.67	17,138.45	15,512.48	187,078.51	181,431.15
Unallocable Assets					14,429.96	5,612.76
Total Assets	169,940.06	165,918.67	17,138.45	15,512.48	201,508.47	187,043.91
Segment Liabilities	8,640.50	9,080.61	2,097.74	2,182.15	10,738.24	11,262.76
Unallocable Liabilities					123,683.88	120,839.60
Total Liabilities	8,640.50	9,080.61	2,097.74	2,182.15	134,422.12	132,102.36
Capital Expenditure	4,143.34	13,854.28	1,201.43	1,962.11	5,344.77	15,816.39
Depreciation	7,817.49	7,395.06	937.57	1,049.09	8,755.06	8,444.15



SEGMENT ACCOUNTING POLICIES:

- a) Segment revenue includes Sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
 - b) Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under "other unallocable expenditure."
 - c) No geographical segment is reported as none of the conditions laid down for Geographical segment are satisfied.
 - d) Segment assets include all operating assets i.e. fixed assets and current assets used by segment.
 - e) Segment liabilities consist of Trade payables and other liabilities directly attributable to segment but does not include tax and financial liabilities.
 - f) Inter segment transfers are valued at prevailing market prices.
- xvii. Detail of transactions entered into with related parties during the year as required by Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as under:

(Rs. In Lacs)

Particulars	Associate		Key management Personnel (KMP)		Relative of Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services	903.57	1,042.22	-	-	-	-	903.57	1,042.22
Sale of Goods/Services	5,953.35	5,349.17	-	-	-	-	5,953.35	5,349.17
Purchase of Fixed Assets	5.43	-	-	-	-	-	5.43	-
Sale of Fixed Assets	80.74	0.96	-	-	-	-	80.74	0.96
Rent Paid	33.83	31.98	-	-	2.47	2.25	36.30	34.23
Rent Received	17.82	13.20	7.20	7.20	-	-	25.02	20.40
Purchase of Export Licence	-	1.43	-	-	-	-	-	1.43
Sale of Export Licence	795.52	150.85	-	-	-	-	795.52	150.85
Director Sitting Fee	-	-	0.35	0.25	-	-	0.35	0.25
Managerial Remuneration/Perquisites	-	-	21.92	22.84	-	-	21.92	22.84
Salary	-	-	-	-	0.90	-	0.90	-
Balance Receivable	1,360.24	450.97	-	-	-	-	1,360.24	450.97
Balance Payable	4.84	1,054.79	-	1.88	-	-	4.84	1,056.67

Note:

***Associates**

Nahar Capital & Financial services Ltd., Nahar Poly Films Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Ltd., Vanaik Spinning Mills Ltd., Abhilash Growth Fund(P)Ltd., Atam Vallabh Financers Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investment & Trading Co. Ltd., Ludhiana Holdings Ltd., Monica Growth Fund (P) Ltd., Nagdevi Trading & Investment Co. Ltd., Nahar Growth Fund (P) Ltd., Ruchika Growth Fund (P) Ltd., Sankeshwar Holding Co. Ltd., Vanaik Investors Ltd., Vardhman Investment Ltd., J.L. Growth Fund Ltd. Neha Credit and Investment Pvt. Ltd., Ginar Investment Limited, Crown Star Ltd., Monte Carlo Fashions Ltd., Cotton County Retail Ltd., Nahar Industrial Infrastructure Corporation Ltd., Simran & Shanaya Co. Ltd., Palam Motels Ltd., Sidhant & Mannat Co. Ltd., Hug Foods Pvt. Ltd.

Key Management Personnel

Sh. Jawahar Lal Oswal, Sh. Dinesh Oswal & Sh. Kamal Oswal

Relatives of Key management Personnel

Mrs. Abhilash Oswal, Mrs. Ruchika Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal and Mrs. Monika Oswal

*Associates includes the Companies in which the Key Management Personnel or their relatives have significant influence, also includes enterprises with whom no transaction has taken place during the period.



xviii. The employee's gratuity fund scheme is managed by LIC. The following tables set out the funded status of the gratuity plan recognized as per the company's financial statement as at 31.03.2013. (Rs.in Lacs)

	Current Year	Previous Year
1. Reconciliation of Opening and closing balances of defined benefit obligation		
Present Value of Obligations as at beginning of year	1,484.39	1,282.24
Interest Cost	117.07	92.12
Current Service Cost	187.47	142.05
Benefit Paid	134.59	112.36
Actuarial gain/(Loss) on obligation	(90.62)	(80.34)
Present Value of Obligations as at end of year	1,744.96	1,484.39
2. Reconciliation opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of year	1,256.37	1,074.30
Expected return on plan assets	122.91	106.94
Contribution	208.56	187.49
Benefit paid	134.59	112.36
Actuarial Gain/(Loss) on Plan Assets		
Fair Value of plan assets at the end of year	1,453.25	1,256.37
3. Reconciliation of Fair value of assets and obligations		
Present value of obligations as at the end of year	1,744.96	1,484.39
Fair value of plan assets as at the end of the year	1,453.25	1,256.37
Net Assets/(Liability) recognized in the Balance Sheet	291.71	228.02
4. Expenses Recognized in statement of Profit & Loss		
Current Service Cost	187.47	142.05
Interest Cost	117.07	92.12
Expected return on plan assets	122.91	106.94
net Actuarial Gain/(Loss) recognized	(90.62)	(80.34)
Expenses Recognized in statement of Profit & Loss	272.25	207.57
5. Assumptions		
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
Mortality table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)

xix. VALUE OF STORES, SPARE PARTS & COMPONENTS CONSUMED

	Current Year	Previous Year
IMPORTED	1241.88	882.85
	9.89%	8.91%
INDIGENOUS	11310.75	9031.17
	90.11%	91.09%
TOTAL	12552.63	9914.02
(It includes value of stores sold)		

xx. CIF VALUE OF IMPORTS

	Current Year	Previous Year
Raw Material	768.09	1384.14
Stores & Spares	1319.93	928.35
Capital Goods	1096.51	4916.82

xxi. EXPENDITURE IN FOREIGN CURRENCY

	Current Year	Previous Year
Travelling	35.02	37.74
Export Development Exp.	57.06	36.69
Export Commission/Rebate	1323.98	1628.38
Others	17.35	13.65

xxii. EARNING IN FOREIGN EXCHANGE

	Current Year	Previous Year
Export of Goods/Services on F.O.B. Basis	12772.93	112097.23
Discount/Rent/Interest Received/Others	62.09	56.89



NAHAR SPINNING MILLS LIMITED

Registered Office : 373, Industrial Area-'A', Ludhiana-141003

PROXY FORM

I/We.....
of being a member/members of
NAHAR SPINNING MILLS LIMITED hereby appoint.....
or failing him/her.....
of.....
as my/our proxy(s) to attend and vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the
Company to be held on Monday the 30th day of September, 2013 at 10.00 a.m. at the Premises of M/s Nahar Industrial
Enterprises Limited, Focal Point, Ludhiana and at any adjournment thereof.

As witness my/our hand(s) this.....day of.....2013.

(Date)

(Month)

Ledger Folio No.

Client I.D. No.

D. P. I.D. No.

Signature

Affix Revenue Stamp of Rs. 1/-

Note:

The proxy(s) in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.

.....CUT HERE.....



NAHAR SPINNING MILLS LIMITED

Registered Office : 373, Industrial Area-'A', Ludhiana-141003

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the 33rd Annual General Meeting of the Company to be held on Monday the 30th
day of September, 2013 at 10.00 a.m. at the Premises of M/s Nahar Industrial Enterprises Limited, Focal Point, Ludhiana.

FULL NAME OF THE MEMBER (IN BLOCK LETTERS)

.....

Name of the Proxy.....

(To be filled in if the Proxy Form has been duly deposited with the Company)

Ledger Folio No.

Client I.D. No.

D.P.I.D. No.

.....

Member/Proxy's Signature*

No of Shares Held.....

(to be signed at the time of handing over this slip)

* Strike out whichever is not applicable



Performance At A Glance

Rupees in Lacs

SR. NO.	PARTICULARS	2008-09	2009-10	2010-11	2011-12	2012-13
1	OPERATING INCOME	100062	111049	139470	169648	196185
2	EXPORTS	64566	73117	97509	112264	129976
3	OTHER INCOME	672	1035	1155	932	813
4	GROSS PROFIT (Before Interest & Dep.)	9243	19551	29992	2111	32436
5	PROFIT AFTER TAX	-1663	5349	11973	-11720	7786
6	CASH ACCRUALS	5103	15047	24770	-8900	22160
7	GROSS BLOCK	132480	137649	153382	170190	174230
8	NET BLOCK	64875	64712	74832	83754	80247
9	SHARE CAPITAL (PAID UP)	1805	1805	1805	1805	1805
10	NET WORTH	50744	55462	66597	54876	62240
11	DEFERRED TAX RESERVE	4541	5557	5680	65	4635
12	DEBT EQUITY RATIO	0.73	0.65	0.65	0.87	0.69
13	CURRENT RATIO	1.72	1.44	1.35	1.13	1.23
14	BOOK VALUE PER SHARE	140.70	153.78	184.66	152.16	172.58
15	EARNING PER SHARE (BASIC)	-4.61	14.83	33.20	-32.50	21.59
16	FACE VALUE (PAID UP)	Rs. 5	Rs. 5	Rs. 5	Rs. 5	Rs. 5
17	DIVIDEND	10%	30%	40%	0%	20%



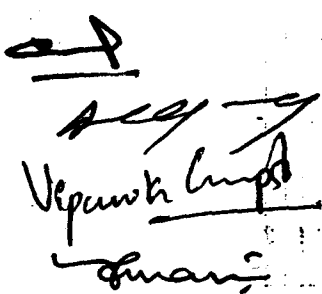
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If undelivered, please return to :
NAHAR SPINNING MILLS LIMITED
Regd. Office : 373, Industrial Area - 'A' Ludhiana-141 003
Ph. : 091-0161-2600701 to 2600705
Fax : 091-0161-2222942
E-mail : secnsm@owmnahtar.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	Nahar Spinning Mills Limited, 373, Industrial Area A, Ludhiana- 141003
2	Annual financial statements for the year ended	31st March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by- <input type="checkbox"/> CEO/Managing Director <input type="checkbox"/> CFO <input type="checkbox"/> Auditor of the company <input type="checkbox"/> Audit Committee Chairman	 Vignesh Kumar Auditor